

JPRS-EER-87-105

9 JULY 1987



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

East Europe

9 JULY 1987

EAST EUROPE

CONTENTS

POLITICAL

BULGARIA

Zhivkov Gives Dinner for FRG Businessmen (BTA, 4 Jun 87)	1
Zhivkov Greets Sassou-Nguesso on Africa Day (RABOTNICHESKO DELO, 25 May 87)	2
Activities of Visiting French Mayor (BTA, various dates)	4
Meets Sofia City Council	4
Received by Zhivkov	4
Gives Press Conference	5
Japanese Prince Arrives on Cultural Visit (BTA, various dates)	6
Meeting With Yordanov	6
Awarded Title by University	7
Mongolian Leader's 10 June Sofia Dinner Speech (MONTSAME, 11 Jun 87)	8
Briefs	
Dutch 'Democraten '66' Party Head Received	11
Stoyan Markov Returns From Berlin	11

CZECHOSLOVAKIA

Husak, Strougal Message to Honecker, Stoph (NEUES DEUTSCHLAND, 5 Jun 87)	12
Foreign Affairs Ministers Visit Country (RUDE PRAVO, various dates)	13
Chnoupek, Caputo Hold Talks	13
Strougal, Chnoupek Receive Australia's Hayden	15
Press Conference on Current Situation in Nicaragua (RUDE PRAVO, 4 Jun 87)	17
Husak Message to Physicians Antinuclear Movement (RUDE PRAVO, 29 May 87)	19
Trade Unions' Role in Restructuring Discussed (Jiri Neubert; PRACA, 30 Jan 87)	20
Writer Weighs Response To Challenge of Restructuring (Stanislav Vacha; TVORBA/KMEN, 8 Apr 87)	24
Water Shortage in Slovakia Not Alleviated (Rudolf Schuster Interview; RUDE PRAVO, 22 Apr 87)	28

POLAND

Sejm Vice Marshall on Role of Non-Party Activists (Jerzy Ozdowski Interview; ZYCIE WARSZAWY, 21-22 Mar 87).	31
Academic Structural Review, Certification Defended (RZECZPOSPOLITA, 23 Mar 87)	35

ROMANIA

Poem Comments on Blaga's Fate, Rehabilitation (Mircea Vaida; TRIBUNA, No 23, 4 Jun 87)	37
---	----

YUGOSLAVIA

International Scope of Slovenian National Program Viewed (Marko Vrhunec; BORBA, 23 Apr 87)	38
Land Property Problems Along Bulgarian Border (Veroljub Jovanovic; BORBA, 23 Apr 87)	42
Albanian Nationalism in Macedonia Discussed (Vulnet Starova; BORBA, 8 May 87)	46
Serbian LC Official Markovic Interviewed on Eve of Plenum (Milenko Markovic Interview; NEDELJNE INFORMATIVNE NOVINE, 12 Apr 87)	49

Shortcomings of Labor Legislation Highlighted (Petar Ignja; NEDELJNE INFORMATIVNE NOVINE, 12 Apr 87) ...	56
Serbia's Youth Paper Questions Sentencing of Paraga (Sasa Vucinic; NOVE OMLADINSKE NOVINE, 10 May 87)	60

MILITARY

GERMAN DEMOCRATIC REPUBLIC

Border Troop Effectiveness Assessed (Joachim Lapp; HEER, Mar 87)	62
---	----

ECONOMIC

CZECHOSLOVAKIA

CPCZ Journal Admits Failure of Set of Measures (Oldrich Truhlar; TRIBUNA, No 15, 1987)	69
Bank Credits for R&D During Eighth 5-Year Plan (Jan Kral; FINANCE A UVER, No 1, 1987)	73
Computer Exports Growth Viewed (Josef Drab; SVET HOSPODARSTVI, No 21, 1987)	84
Supplier-Consumer Responsibilities Under 'Restructuring' (Jedr Anna Haluskova; HOSPODARSKE NOVINY, No 13, 1987) ...	86
Small Enterprise 'Experiment' Problems Viewed (Libuse Cenovska; TRIBUNA, No 16, 1987)	90

POLAND

Difficult Socioeconomic Conditions in Silesia Detailed (Krystyna Loch; GOSC NIEDZIELNY, No 13, 29 Mar 87)	95
Economist Admits 'Hidden Unemployment' (NIEDZIELA, No 14, 5 Apr 87)	100
Auto Industry Prospects Reviewed (GOSC NIEDZIELNY, No 10, 8 Mar 87)	102

YUGOSLAVIA

Results in Industrial Sector for 1986 Reviewed (Tomislav Dumezic; EKONOMSKA POLITIKA, 27 Apr 87)	104
---	-----

SOCIAL

CZECHOSLOVAKIA

Measures Against Alcoholism Adopted (ZDRAVOTNICKE NOVINY, 6 Feb 87)	110
--	-----

Termed 'Antisocial Phenomenon', by Jitka Hnilicova	110
'Expensive Luxury' Viewed	111

HUNGARY

Grim Facts on Lower Education, Reasons Discussed (Ferenc Strapak, et al.; MAGYAR IFJUSAG, 27 Mar 87)	113
Second Gypsy 'People's College' Opened (NEPSZAVA, 1 Apr 87)	119

ROMANIA

Doctor Calls Childbearing 'Duty,' Provides Statistics (Vladimir Trebici; FLACARA, No 23, 5 Jun 87)	120
---	-----

/7310

BULGARIA

POLITICAL

ZHIVKOV GIVES DINNER FOR FRG BUSINESSMEN

AU050721 Sofia BTA in English 2026 GMT 4 Jun 87

[Text] [no dateline as received]--This afternoon, Mr Todor Zhivkov and his party returned to the Gimmich Palace, where the president of Bulgaria's State Council gave a dinner for prominent representatives of the business interests in the Federal Republic.

Mr Todor Zhivkov welcomed the West German businessmen and thanked them for the useful cooperation and the interest shown in the economic reforms underway in Bulgaria, aimed at a dramatic rise in production efficiency on the basis of the latest scientific and technological advances.

He explained in detail the restructuring which has been carried out and is being carried out in the Bulgarian economy and the legislative acts and administrative action taken to provide international legal prerequisites and guarantees for mutually beneficial cooperation on equal footing between business partners from the Federal Republic and other industrialized countries, on the one hand, and Bulgarian economic organisations, on the other. Mr Todor Zhivkov said he was convinced that the agreement on the reciprocal encouragement and protection of investments, signed last year, and the agreement signed during the current Bulgaro-West German talks, will help avoid double taxation.

In the candid and businesslike exchange of views, the sides shared the conviction that there are ample and still untapped opportunities for joint industrial production, for scientific and technological exchanges, for the realization of joint projects in various fields of manufacturing and for their sale on third countries' markets.

The West German executives showed considerable interest in the new forms of management and administration introduced in the production sphere, in the promotion of the banking system in Bulgaria, in the conditions provided for guaranteeing joint investments and profits and in the application of various forms of economic cooperation. The intensive discussions gave rise to a number of specific new ideas and projects, seeking to enhance and expand the two-way trade and economic exchanges.

/12858

CSO: 2200/110

ZHIVKOV GREETSS SASSOU-NGUESSO ON AFRICA DAY

AU011627 Sofia RABOTNICHESKO DELO in Bulgarian 25 May 87 pp 1, 3

[Text] Todor Zhivkov, State Council chairman, has sent a message to Denis Sassou-Nguesso, chairman of the OAU, which addresses most cordial greetings on 25 May--Day of African Liberation.

We happily note, the message reads, that during the last 25 years the African nations achieved a significant socioeconomic and cultural progress. However, their successes would have been greater if the forces of imperialism, neocolonialism, and apartheid did not conduct a course aimed against their independence, and if they did not apply pressure and did not undertake aggressive actions against the African countries, in an attempt to divert them from the road of independent and progressive development.

The African nations oppose this course and firmly defend their freedom and right to determine alone their destiny. They make constant efforts to overcome the consequences of the colonial oppression and the difficulties caused by the economic backwardness and the disastrous damages caused by the natural disasters, as well as efforts to reconstruct international economic relations on a just and democratic basis, and solve the foreign debts problem.

Further on the message points out the especially important significance of the struggle of Africa and all progressive forces in the world to eliminate the inhuman system of apartheid, for immediate independence for Namibia, and stopping the aggressive actions of the Republic of South Africa against the People's Republic of Angola, the People's Republic of Mozambique, and other "frontline states." There is no doubt that the just cause of the nations in Southern Africa and Namibia will triumph, and they will achieve their national liberation under the leadership of their tested vanguards--the African National Congress and SWAPO.

The message notes that the authority of the African countries in the international arena constantly grows, because they actively participate in solving the most important human problems. We greet their positions and efforts to protect peace, prevent the nuclear catastrophe, and save human civilization by stopping the arms race and the nuclear arms race in the name and interest of world development.

The OAU--this highest and authoritative African forum--contributes to increasing the cooperation of the world progressive forces and develops a useful activity for overcoming the critical economic situation in the continent, the message points out. We especially value your organization's efforts to strengthen the unity and unity of action of the African states, improve the political climate in Africa, settle the conflicts and disputable issues by just and peaceful means, and turn the continent into a zone free of nuclear weapons and foreign military bases.

Confirming again the unreserved solidarity of the People's Republic of Bulgaria and the Bulgarian people with the just cause of the African peoples, I most sincerely wish the OAU new successes in its efforts to further strengthen cooperation among the African countries in constructing an independent, reborn, and prospering Africa, and in the common struggle against imperialism, colonialism, and neocolonialism, against racism and apartheid, and for peace, security, and social progress in the world, the message reads in conclusion.

/12858

CSO: 2200/110

BULGARIA

POLITICAL

ACTIVITIES OF VISITING FRENCH MAYOR

Meets Sofia City Council

AU121925 Sofia BTA in English 2049 GMT 11 Jun 87

[Text] Sofia, 11 June (BTA)--I hope that the coming days will be a period of cooperation, disarmament and peace. A period in which everyone will think not only of his security but also of the security of others, said Mr Pierre Mauroy, chairman of the World Federation of Twinned Towns and mayor of the city of Lille (France), who is a guest to Sofia, at his meeting with the Executive Committee of the Sofia Municipality.

The World Federation of Twinned Towns, of which Bulgaria was one of the first members, with its active international activity in defence of progress, freedom and peace, has already a high prestige. It is a factor for the uniting of the efforts of large and small towns in the name of universal understanding, for a world without tension and military threat.

Mr Stefan Ninov, chairman of the Association of Bulgarian Towns and mayor of Sofia, bestowed on the French guest the honorary sign of Sofia--a silver ribbon.

Received by Zhivkov

AU121939 Sofia BTA in English 1451 GMT 12 Jun 87

[Text] Sofia, 12 June (BTA)--Today Mr Todor Zhivkov, president of the State Council, received Mr Pierre Mauroy, president of the United Towns Organization (UTO), mayor of the city of Lille and prominent French political figure, who is paying a brief visit to Sofia at the invitation of the Bulgarian Towns Association.

They exchanged thoughts on key international issues. The State Council president stressed the need of new political thinking for the maintenance of peace and for solving the problems which mankind faces now.

Mr Pierre Mauroy informed his host about the 12th World Congress of United Towns, due to be held in Grenoble, France, this July under the motto "The Towns' Solidarity at the Service of Peace and Friendship Among the Nations". It is expected to be attended by more than 3,000 delegates from 60 countries.

Mr Todor Zhivkov laid emphasis on the respect in which the Bulgarian public holds the World United Towns Movement, which is demonstrated in the active participation of Bulgarian representatives in that organization.

Gives Press Conference

AU121941 Sofia BTA in English 1716 GMT 12 Jun 87

[Text] Sofia, 12 June (BTA)--The former head of the French Government, the Socialist Pierre Mauroy, said that he believes in the possibilities for reducing nuclear weapons.

Mr Pierre Mauroy, president of the United Towns Organization and mayor of the city of Lille, told journalists today that the summit talks between the USSR and the United States and the Soviet proposals on intermediate and shorter-range missiles have for the first time revealed actual possibilities for reducing nuclear weapons.

The guest stressed that in a world overburdened with weapons it is everyone's duty to work for strengthening peace and the United Towns Organization is also channeling its efforts in this direction.

The French politician declared himself for activating direct contacts between the towns of different countries with the aim of a speedier solution of a number of issues of mutual interest. The towns have common problems and there is a wide field for cooperation.

Mr Pierre Mauroy also commented on the possibilities for promoting Bulgaro-French relations and of trade and economic cooperation in particular. In this connection he noted that the potentials of the two countries are not being made full use of.

Mr Pierre Mauroy departed from Bulgaria.

/12858

CSO: 2200/110

JAPANESE PRINCE ARRIVES ON CULTURAL VISIT

Meeting with Yordanov

AU111950 Sofia BTA in English 1801 GMT 11 Jun 87

["Development of Bulgaro-Japanese Relations"--BTA headline]

[Text] Sofia, 11 June (BTA)--At the invitation of Mr Georgi Yordanov, deputy chairman of the Council of Ministers, Prince Takahito Mikasa, member of the royal family of Japan, and his wife Princess Yuriko Mikasa, arrived on a visit to this country today.

Later, Mr Georgi Yordanov had a meeting with the Japanese guest.

Mr Yordanov stressed Prince Mikasa's contribution to the development of the cultural relations between Bulgaria and Japan. Under the honourable patronage of the prince significant Bulgarian cultural events were held in Japan: The exhibitions "Thracian Art and Culture in the Bulgarian Lands", "Old Bulgarian Manuscripts", "The First Civilization in Europe and the Oldest Gold in the World".

With satisfaction was noted the upgrade development of the Bulgaro-Japanese relations and the conviction was expressed that in the future they will continue to deepen and enrich in the name of better mutual getting to know in the name of understanding and cooperation between the two countries. [sentence as received]

Mr Petur Mladenov, minister of foreign affairs, also had a meeting with Prince Takahito Mikasa.

They had a friendly talk on the development of Bulgaro-Japanese relations. Special attention was paid to the further broadening of the cultural and scientific relations between Bulgaria and Japan, which are to the benefit of the two peoples and in the interest of peace and progress.

Awarded Title by University

AU121923 Sofia BTA in English 1335 GMT 12 Jun 87

[Text] Sofia, 12 June (BTA)--Today Prince Takahito Mikasa, member of the imperial family of Japan, was awarded the title "Doctor Honoris Causa" of Sofia University. It is a recognition of his high scientific achievements in the field of history and archaeology and of his contribution to strengthening intellectual contacts between Bulgaria and Japan.

An outstanding scholar in the field of oriental studies, Prince Mikasa dwelled in his academic speech on the studies of the Japanese scientists into ancient history and the modern problems of the Middle East and Southeast Asia. He noted the recently grown interest of the specialists and the public in Japan in Bulgaria's rich past and present.

Prince Takahito Mikasa was presented the diploma with the title by the rector of Sofia University Prof Dr Mincho Semov.

The official ceremony was attended by Mr Georgi Yordanov, deputy chairman of the Council of Ministers and chairman of the Council for Intellectual Development, Mr Nacho Papazov, honorary chairman of the Bulgaro-Japanese Committee for Economic and Techno-Scientific Cooperation, Prof Ilcho Dimitrov, minister of national education and by deputy foreign ministers.

/12858

CSO: 2200/110

MONGOLIAN LEADER'S 10 JUNE SOFIA DINNER SPEECH

OW130117 Ulaanbaatar MONTSAME in Russian 1405 GMT 11 Jun 87

[Text] Ulaanbaatar, 11 Jun (MONTSAME)--Comrade J. Batmonh, head of the party and state delegation of the Mongolian People's Republic (MPR), made a speech yesterday at the dinner in honor of the MPR party and state delegation. The full text of the speech follows:

Permit me on behalf of the Mongolian party and state delegation to express to the Bulgarian Communist Party (BCP) Central Committee, the State Council of the People's Republic of Bulgaria (PRB), and to you personally, dear Comrade Todor Zhivkov, sincere gratitude for the invitation to make an official and friendly visit to sunny Bulgaria.

From the moment we arrived on hospitable Bulgarian soil, we have felt the warm feelings of friendship and respect of the Bulgarian people for the Mongolian people. We extend to you and the people of Sofia our cordial gratitude for the hearty and warm welcome and fraternal hospitality.

Mongolian-Bulgarian relations have old and glorious traditions. They are being augmented and enriched with every passing year. The cooperation of our countries in the political, economic, cultural and scientific and technical spheres has become even closer.

The official, friendly visit to the MPR by the PRB party and state delegation headed by Comrade Todor Zhivkov in 1985 was a major contribution to further consolidating Mongolian-Bulgarian relations. The long-term program for economic and scientific and technical cooperation between the MPR and the PRB for the period up to the year 2000, signed then, serves as the basis for stable and dynamic development of Mongolian-Bulgarian cooperation.

The new treaty of friendship and cooperation between the MPR and the PRB, which we will sign during this visit, reflects the prospects for further developing our cooperation and enriching it with new forms and infusing new content.

The Mongolian people highly value the international assistance and support for People's Bulgaria in meeting the tasks of our country's social and

economic development. We convey sincere feelings of gratitude of the Mongolian working people to the fraternal Bulgarian people.

It is a pleasure for us to note that the PRB is developing rapidly and is achieving dynamic growth in the economic and social spheres; in raising the material welfare of the working people; and in further expanding socialist democracy. The successes and achievements transforming Bulgaria today are a result of the creative efforts of the Bulgarian people and the tested leadership of the BCP headed by Comrade Todor Zhivkov, prominent figure of the international communist and worker movement; they are also the result of close and effective cooperation of the PRB with the great Soviet Union and other socialist countries.

We Mongolian communists, as your comrades-in-arms, sincerely [passage indistinct] wish our friends great successes in implementing the new strategic course for achieving a qualitatively new growth in all spheres of social life worked out by the 13th BCP Congress.

The Leninist ideas of freedom and social renewal have been illuminating the Mongolian people's path for 66 years. Our people have carried out deep historic transformations in Mongolian social life and have achieved a modern level in its social and economic development.

Our successes are indisputable, however, we must do even more. A particularly great deal needs to be achieved to accelerate our country's economic and social development. The 19th MPRP Congress, that passed in an atmosphere of exactingness and self-criticism, opened new vistas in the development of our society and in the realization of the party's program. It determined a course of progressive development of socialist society to raise production efficiency and quality of all work; to better use economic potentials; and to orient production toward intensive management methods and utilization of scientific and technical achievements. Today, the efforts of the party and all Mongolian people are directed toward meeting these tasks.

Our party will continue to develop and deepen the bonds of [words indistinct] steadily expand and improve all-around cooperation with the socialist countries in the spirit of the Moscow [words indistinct].

The socialist community countries are implementing their noble aims and tasks in a complicated and tense international situation. U.S. imperialism, its most reactionary circles, is pushing the world toward the bottomless abyss of the arms race, particularly nuclear arms, and is striving to extend it into space. They do not renounce their illusory intentions of achieving military superiority and upsetting military and strategic parity.

Under these conditions maintaining peace and ensuring reliable security by adopting effective measures in the sphere of nuclear disarmament and by eliminating war from the peoples' lives, as a means to solve contentious issues, are vitally important questions for all mankind. Our party and

the MPR Government wholly and completely support the active and peace-loving foreign policy of the Soviet Union and other fraternal countries aimed at building a nuclear-free world and creating a universal system of international security.

The MPR completely supports the results of the meeting of the Warsaw Pact Political Consultative Committee held recently in Berlin as a new major contribution to the cause of nuclear disarmament and to strengthening universal security. The document "On the Military Doctrine of the Warsaw Pact Member States," adopted as a result of the meeting, attests to the fact that international security must be ensured not by increasing arms and armed forces but on the basis of their gradual reduction toward their complete elimination.

The new constructive proposals and practical steps of the Soviet Union, aimed at eliminating the threat of a nuclear missile conflict arising on the European continent, open a historic chance for achieving agreement on intermediate-range and operational-tactical missiles.

The PRB proposal on turning the Balkans into a nuclear-free zone, into a region free of chemical weapons, and into an area of good-neighborliness and cooperation is of fundamental importance for ensuring security in Europe.

We live in an integral and mutually dependent world. Developments in the Asian-Pacific region also influence world affairs. Ensuring stable peace in this part of the world is acquiring increasing urgency.

Under these conditions the Vladivostock initiatives of Comrade M.S. Gorbachev, the Soviet-Indian declaration to the principles for a nuclear- and violence-free world, and the constructive initiatives and proposals of the socialist states of Asia promote the establishment of foundations for Asian-Pacific security. This goal is fully responsive to the MPR proposals for creating a mechanism which would exclude the use of force in relations between countries of Asia and the Pacific Ocean Region. The MPR, together with countries of the socialist commonwealth, will continue to actively work for the defense of peace in Asia and throughout the whole world.

May the inviolable fraternal friendship and close multifaceted cooperation between our parties, countries, and people continue to live and prosper.

/12858
CSO: 2200/110

BRIEFS

DUTCH 'DEMOCRATEN '66' PARTY HEAD RECEIVED--Sofia, 3 June (BTA)--Mr Petur Tanchev, secretary of the Bulgarian Agrarian Party and first vice-president of the State Council of Bulgaria, received the delegation of the party Democraten '66 (D'66) headed by Ms Saskia van der Loo, chairman of D'66, which is on a visit to this country at the invitation of the Standing Committee of the Bulgarian Agrarian Party. The two sides stressed their willingness for broadening of the contacts between the two parties to the benefit of the development of the relations between Bulgaria and the Netherlands. The guests emphasized the great importance of Bulgaria's consistent peace-loving policy and the personal contribution of Mr Todor Zhivkov, president of the State Council of Bulgaria, for the strengthening of peace, security and cooperation between the peoples in Europe. It was pointed out that the dialogue between the East and the West can be successful only if it is led on the basis of equality and equal security for the two sides. The role of the peace initiatives of the Soviet Union was also stressed. [Text] [Sofia BTA in English 1940 GMT 3 Jun 87 AU] /12858

STOYAN MARKOV RETURNS FROM BERLIN--Stoyan Markov, first deputy chairman of the Council of Ministers and chairman of the State Committee for Research and Technology, returned from Berlin, which he had been visiting at the invitation of Herbert Weiz, deputy chairman of the GDR Council of Ministers and minister of science and technology. Among those welcoming him at Sofia airport was [name indistinct], charge d'affaires ad interim of the GDR Embassy in Bulgaria. [Text] [Sofia Domestic Service in Bulgarian 1930 GMT 13 Jun 87] /12858

CSO: 2200/110

HUSAK, STROUGAL MESSAGE TO HONECKER, STOPH

AU111152 East Berlin NEUES DEUTSCHLAND in German 5 Jun 87 p 2

[Text] East Berlin (ND)--Gustav Husak, general secretary of the CPCZ Central Committee and president of the CSSR, and Lubomir Strougal, chairman of the CSSR Government, have thanked Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Willi Stoph, chairman of the Council of Ministers, for the greetings and congratulations on the occasion of 42nd anniversary of the CSSR's liberation by the Soviet Army.

The telegram reads as follows:

"We sincerely appreciate your high regard for the results that the Czechoslovak working people have achieved in the course of building socialism. The all-around cooperation and the collaboration between our two countries, which is based on the firm foundation of the principles of Marxism-Leninism and socialist internationalism, are also a significant contribution to this. We regard the friendship and the alliance between our countries as great achievements of socialism, and are determined to contribute all spheres to the further deepening and strengthening of these ties in the interest of solving the new tasks which we are facing, and in the interest of our joint struggle for peace and progress in the world."

The CSSR representatives wish the GDR new successes in their work for the further flourishing of the country.

/12858

CSO: 2300/317

FOREIGN AFFAIRS MINISTERS VISIT COUNTRY

Chnoupek, Caputo Hold Talks

AU091548 Prague RUDE PRAVO in Czech 2 Jun 87 pp 1, 2

[CTK report: "Comrade G. Husak Received Guest From Argentina"]

[Excerpt] Prague (CTK)--CSSR President Gustav Husak received Dante Mario Caputo, foreign affairs minister of the Republic of Argentina, who is in Czechoslovakia on an official visit, at the Prague Castle on Monday [1 June].

Negotiations between Bohuslav Chnoupek, CSSR foreign affairs minister, and Dante Mario Caputo, foreign affairs minister of the Republic of Argentina, were conducted on the same day. In a constructive talk, the two representatives assessed the possibilities of further developing Czechoslovak-Argentine relations and exchanged views on topical international issues.

They also stated that pursuing lofty goals--such as achieving peace, justice, and progress in the world, deepening the political dialogue and mutually advantageous cooperation on the principles of equality, mutual respect, noninterference in internal affairs, and respect for sovereignty--goes hand in hand with the basic prerequisite of the normalization of international relations and of the renewal of an atmosphere of trust in the world.

The two ministers emphasized their governments' political will to intensify in all spheres the bilateral relations that have been successfully developing, particularly recently. These relations are an example of mutually advantageous cooperation between states with different social systems, with consistent adherence to the principles of peaceful coexistence. The successful development of political contacts was affirmed recently by the negotiations conducted by the representatives of the governments and legislative bodies of the two countries; they established prerequisites for a further development of economic, scientific-technical, cultural, and sports cooperation.

Ministers Chnoupek and Caputo stated with gratification that the bilateral relations are not burdened with any problems. Cultural cooperation is successfully developing in parallel with political contacts. Encouraging results have also been noted by both sides in the development of sports contacts. When assessing economic relations, the ministers stated that the mutually complementary structure of the economies of both countries establishes suitable prerequisites for the further development of these relations. They pointed out with gratification the rising trend in economic cooperation, which is, inter alia, confirmed by the almost two-fold increase in the bulk of trade exchange, from \$80 million in 1985 to more than \$150 million in 1986.

In his statement on bilateral cooperation, Minister Chnoupek underscored the friendly relations tying us to Argentina's people. He recalled that outstanding Czech and Slovak scientists, as well as tens of thousands of our compatriots who emigrated from the country during the world economic crisis, also contributed to mutual knowledge and understanding. He stated further that, within the framework of Latin America, our government attaches great significance to relations with Argentina. In the political sphere we are led to this by the fact that Argentina significantly contributes toward introducing new thinking into international relations. He assured his guest that Czechoslovakia is prepared to intensify as much as possible, in the future too, contacts along governmental lines and also contacts between social organizations, especially youth organizations. At the same time, he proposed the establishment of direct city twinning between Prague and Buenos Aires.

Bohuslav Chnoupek then recalled that Argentina is one of our most important trade partners in Latin America, and spoke in favor of searching for new forms of economic cooperation. He expressed Czechoslovakia's readiness to contribute toward expanding cooperation and collaboration in industry, to participate in the realization of Argentina's investment plans, and also to cooperate in third markets.

Dante Mario Caputo stressed the significance of the political dialogue between the two countries, and spoke in favor of intensifying mutual cooperation in the political, economic, cultural, and other spheres. He devoted particular attention to economic contacts; there he pointed out the possibility of expanding contacts with the private sector. He called cultural cooperation most significant in the process of getting to understand and know each other, and voiced suggestions for intensifying it. The two ministers also discussed ideas for developing contacts between the universities, radios, and televisions of the two countries and also in the sphere of cinematography.

In appraising international issues, both sides affirmed their resolve to contribute toward implementing the policy of the peaceful coexistence of states with different social systems. They found that their positions on the most important international issues are both concurrent and close, above all with regard to support for the program of a total and general

elimination of nuclear arms by the end of this century; the elimination of intermediate-range missiles from Europe; the prevention of the militarization of outer space; the halting of nuclear tests; the establishment of zones free of nuclear arms on all continents; and the settlement of conflicts in the hotbeds of tension by peaceful means. They condemned the policy of apartheid and racism, and resolutely supported the demand for rebuilding international economic relations on just foundations.

Strougal, Chnoupek Receive Australia's Hayden

AU061604 Prague RUDE PRAVO in Czech 19 May 87 pp 1, 2

[CTK report: "Australian Foreign Minister With Comrade L. Strougal; Talks Between Bohuslav Chnoupek and William G. Hayden; Luncheon in the Cernin Palace; Meeting the Journalists"]

[Excerpt] Prague (CTK)--CSSR Premier Lubomir Strougal received William G. Hayden, Australian minister of foreign affairs who is currently on an official visit in the CSSR, in the Hrzan Palace in Prague on Monday [18 May].

In their talk the premier of the Federal Government welcomed the visit of the Australian minister of foreign affairs as an opportunity for a frank exchange of views and for a search of roads leading to a quicker and comprehensive development of relations between Czechoslovakia and Australia. In this connection he briefed the guest on the democratization process, on the restructuring of the economic mechanism, and on the efforts aimed at changing the structure of Czechoslovak economy.

When making an overall appraisal of the results achieved in the development of mutual relations, the two representatives agreed on the stand that it is in the interests of both Czechoslovakia and Australia to undertake effective steps for intensifying all forms of collaboration which contribute toward raising the mutual exchange of commodities. It was also jointly stated that possibilities also exist for establishing and deepening fruitful cooperation in culture, education, medical care, and sports.

The reception was also attended by Bohuslav Chnoupek, CSSR minister of foreign affairs. Howard Ralph Seccombe, Australia's charge d'affaires ad interim in the CSSR, was also present.

The same day Ministers Bohuslav Chnoupek and William G. Hayden met in the Cernin Palace in Prague for talks. When comprehensively appraising bilateral relations, they pointed out their satisfactory development. At the same time they stressed the significance of conducting the political dialogue on all levels, and affirmed bilateral interest in its further intensification in the interests of strengthening peace and security in the world. In this context they expressed the conviction that the establishment of contacts between the parliaments of the two countries,

and also other bilateral actions and contacts between Czechoslovak and Australian representatives in international forums which are being prepared, will contribute toward achieving this end. Bohuslav Chnoupek informed his Australian guest that the opening of a CSSR Embassy in Australia, planned for this year, is also part of Czechoslovak measures to strengthen the political dialogue and bilateral cooperation.

In evaluating economic, trade, and scientific-technical collaboration, the two ministers pointed out the considerable possibilities for enhancing it, for expanding the range of the mutual goods exchange and making the economic cooperation more dynamic. At the same time the Czechoslovak minister stressed the significance of implementing higher forms of economic and scientific-technical cooperation, including the setting up of joint enterprises and cooperation on third markets; he informed the guest about the qualitatively new possibilities created in this respect by the restructuring of the Czechoslovak economic mechanism.

In the discussion on the international political situation, Bohuslav Chnoupek explained the Czechoslovak approach to the restructuring of international relations in keeping with the demands of the space and nuclear age. He stressed that the foreign policy program of socialist states is a coupling of the philosophy of creating a security world in the nuclear age with the platform of specific disarmament actions. At the same time he pointed out the historical significance of Mikhail Gorbachev's declaration of 15 January 1986, which contains the program of eliminating nuclear and other arms of mass destruction by the end of the 20th century. He expressed appreciation that Australia has welcomed this initiative, and that it speaks in favor of eliminating nuclear arms. He expressed the hope that the realistically thinking circles in the NATO states will frustrate all attempts at blocking the achievement of an agreement on the elimination of intermediate-range missiles and operational-tactical missiles in Europe.

W.G. Hayden, Australian minister of foreign affairs, spoke in favor of adhering to agreements in the sphere of strategic nuclear arms. He also supplied information about the stand maintained by the Australian Government, which is against a so-called expanded interpretation of the stipulations of the 1972 Soviet-American agreement on anti-missile systems. He stressed the significance of the latest disarmament proposals presented by the USSR, and pointed out their attraction for the West European public. He voiced the opinion that it is necessary to make use of the improved atmosphere in international relations for achieving progress in disarmament negotiations. In his view, the problem in this respect lies in a certain imbalance of conventional forces of the Warsaw Pact and NATO, which evokes alarm [obavy] among certain West European countries. He ascribed great significance to the elimination of chemical arms.

B. Chnoupek and W.G. Hayden exchanged views on certain important regional problems. They pointed out the significance of convening an international conference in the interests of peacefully settling the Mideast situation. They also spoke in favor of immediately halting the Iran-Iraq conflict and of its peaceful settlement.

The negotiations took place in a businesslike and constructive atmosphere.

PRESS CONFERENCE ON CURRENT SITUATION IN NICARAGUA

AU110941 Prague RUDE PRAVO in Czech 4 Jun 87 p 2

["Po"-signed report: "Nicaragua Must Survive"]

[Text] Prague (Our Correspondent)--At a press conference held in Prague on Wednesday [3 June], Bayardo Altamirano Lopez, Nicaraguan ambassador to the USSR, and Miroslav Jirava, chairman of the section of the Czechoslovak-Nicaraguan friendship attached to the Czechoslovak Society For Internal Relations and deputy chairman of the State Planning Commission, supplied information about the current situation in Nicaragua and about Czechoslovak actions of solidarity with the just struggle of the Nicaraguan people.

B. Altamirano said that his country is successfully defending itself against the aggression unleashed by the U.S. imperialist ruling circles. The undeclared war is inflicting heavy damage on the Nicaraguan economy. The Reagan government has expended great resources on funding counter revolutionary mercenaries, so that they are perfectly militarily equipped.

Irangate has shown that, in addition to the \$105 million officially endorsed by U.S. Congress and the hundreds of millions from America's CIA, the Somozists are also funded from other sources, which should have remained secret. At the U.S. Government's request, they are also being supported by some conservative Arab regimes, and they derive considerable resources from the drug trade.

The bandits have opened a new stage of war and are concentrating their attacks on disrupting the Nicaraguan economy (destruction of powerlines, bridges, sabotage in factories, attacks on agricultural cooperatives, murders of farmers). The counter revolution has been strategically defeated, but the danger continues. There is still the threat that before the end of his tenure President Reagan could resort to an adventurous military action, similar to the invasion of Grenada.

The United States is delivering warplanes to Honduras, and it has succeeded in concentrating--within the framework of military maneuvers--some 50,000 troops there. Intervention in Nicaragua was prepared, but the United States did not launch it because there were no favorable political

conditions for it--it would have elicited indignation and opposition throughout the world.

Within the framework of the Contadora group, which strives for a peaceful solution of the Central American crisis, Nicaragua proposes that all alien military advisers leave the region. This, in particular, applies to the United States, which has a number of military bases in Honduras.

At a time when the country is practically in a state of war, the Nicaraguan Government pursues two fundamental lines: Strengthening defense, and raising the productivity of labor and discipline in the economy. The most important thing is survival. B. Altamirano expressed appreciation for the socialist countries' assistance to the Nicaraguan economy. The construction of a textile plant in Esteli with Czechoslovak participation is being prepared. It will process Nicaraguan cotton wool and provide clothing for the population. The CEMA countries are also constructing other projects in Nicaragua. There are 145 Nicaraguans currently studying in the CSSR, and more are expected to arrive.

M. Jirava spoke about actions of organizations and individuals in the CSSR to support Nicaragua. What is involved now is to coordinate moral and material assistance under the slogan Nicaragua Must Survive. The upcoming eighth anniversary of the victory of the Sandinist revolution, which the Nicaraguan people will celebrate on 19 July, will be an opportunity to step up solidarity actions with Nicaragua.

/12858

CSO: 2400/326

HUSAK MESSAGE TO PHYSICIANS ANTINUCLEAR MOVEMENT

AU051353 Prague RUDE PRAVO in Czech 29 May 87 p 1

[CTK report: Comrade G. Husak's Message of Greetings"]

[Excerpts] Prague (CTK)--Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, has sent a message of greetings to the participants in the Seventh Congress of the International Physicians for the Prevention of Nuclear War [IPPNW], which will open in Moscow on Friday, 29 May.

The message states that owing to the far-reaching disarmament proposals of the Soviet Union and other socialist countries and the inspiring initiatives of the Nonaligned Movement, the Delhi Six, and other realistically-minded social forces and movements, a historic chance has been created to take major steps on the road to a non-nuclear world. It voices the conviction that the IPPNW's meritorious work will contribute to further activating peace-loving forces all over the world in their efforts to put this profoundly humane aim into effect.

In concluding, Gustav Husak's message conveys wishes for full success of the congress deliberations and assures its participants of the full support of the government and the people of Socialist Czechoslovakia in implementing the noble aims which they set themselves.

/12858

CSO: 2400/326

TRADE UNIONS' ROLE IN RESTRUCTURING DISCUSSED

Bratislava PRACA in Slovak 30 Jan 87 p 4

[Article by Jiri Neubert, secretary of the Central Council of Trade Unions: "Restructuring and Trade Unions"]

[Text] Proceeding from the experience and recommendations of our working people and of some economic managers, the officials of the URO [Central Council of Trade Unions] frequently expressed their critical attitude to certain factors of the current economic mechanism, particularly the fact that it fails to stimulate sufficiently a comprehensive development of labor initiative and creativity of our working people and that it often tolerates waste of material resources and manpower.

Therefore, the URO Secretariat, which in recent days dealt with certain social aspects of the restructuring process and with the participation of our trade unions in its implementation, endorsed the principles issued by the Presidium of the CPCz Central Committee and by the CSSR government, which propose how to eliminate these and other shortcomings. For that reason our trade unions announced that they fully support the principles of the restructuring of the economic mechanism and that they recognize their co-responsibility for their specification and implementation.

However, the specification of the principles inevitably calls for answers to great many questions. We proceed from the premise that the transition of economic organizations to greater independence and self-financing on the basis of *khovraschet* will also grant more rights and responsibilities to labor teams, in other words, also to their trade union organizations which represent labor and which are the mainstay and organizers of socialist democracy in economic organizations.

In the spirit of this principle we consider it appropriate to draft objective, systematic measures as the groundwork for more effective participation of our working people in the management of individual economic organizations throughout our national economic system.

If in the conjunction with the implementation of the principles we speak of further intensification of socialist democracy, we are of the opinion that its structures currently implemented in the production sphere are adequate and for the foreseeable future there is no need to abolish them and invent

new ones. Naturally, that does not imply that these structures should continue forever and that life will not demand, and practice will not confirm the need of other alternatives. Nevertheless, we are convinced that for the time being and for near future through application of the principles will enhance their importance and make full use of such structures of our socialist democracy as, for example, consultations on production and various other forms of our working people's involvement in the creation and implementation of the plan and control of its fulfillment, including counterplanning. The role and importance of collective contracts and of the team method introduced in labor organization and in the system of rewards, etc., should increase dramatically. In addition, that calls for consistent compliance with the right of the trade unions to participate in decision-making and to cooperate and take part in public oversight, as well as their markedly expanded responsibility for the future socioeconomic development of our society.

The introduction of uniform standards and direct correlation of the creation of necessary assets and economic achievements will doubtlessly be an important instrument for enforcing the principles of social justice in the reward system and in enterprise social policies. Of course, this does not diminish the urgent need to come to grips with certain issues concerning national resources. Nevertheless, it makes it imperative to strengthen the mandatory character of plans for personal and social development and of collective contracts because some economic organizations bend the principles of social justice in order to implement social programs for which they have not created adequate resources, while elsewhere in the same enterprises and occasionally even in the whole VILJ's [economic production units] cuts are made in social funds and expenditures as the first step in the search for resources to finance further economic development. Thus, in both instances the necessary relative balance of the socioeconomic development has been inexcusably disturbed, which led to all kinds of unfavorable consequences in people's minds.

Of considerable importance is the fact that the economic mechanism must be restructured mainly from the top down. However, in the interest of unequivocal success, it is just as important to create necessary conditions for the restructuring from the bottom up.

We see therefore one of the most meaningful tasks for our trade unions in the endeavor of the trade union members to regard the substance, purpose and importance of the restructuring of the economic mechanism as an effective instrument in accelerating the socioeconomic development of our society, above all, by intensifying our national economy. For that reason we are planning to retrain our officials at working conferences and to include explanation of the principles in the curriculum of trade union courses, particularly in schools of socialist labor which have a broad base. In our opinion, however, it is absolutely necessary to explain the principles of restructuring as the main contents of our daily mass political work in basic organizations and especially in trade union sectors.

It is equally important for every trade union official and economic manager to recognize that the principles of restructuring may be implemented much

easier and potential social conflicts may be averted in economic organizations where the new principles of enterprise subdivision *khozraschet* and the team work have already been introduced in the organization of labor and in the system of rewards. After all, next to an economic contribution, consistent enforcement of the enterprise-wide *khozraschet* and team work in labor organization and rewards represent an effective mechanism which will facilitate the changes in economic thought and action.

In the light of that experience, it is of foremost importance to fulfill one of the decisions adopted at the recent joint conference of the URO Secretariat and of the Presidium of the CSSR Government, namely, that production branches in particular adopt the joint programs of the state, economic and trade union agencies for more expeditious introduction of the team work method both in the number and the size of the teams. We regard its current situation as highly unsatisfactory either due to the teams' inadequate political training or the slow, even unduly protracted creation of cadre, organizational, economic and other provisions.

Moreover, complete restructuring of the economic mechanism depends on the competition among the work teams and among individuals. We are trying to improve the situation where the adoption of socialist pledges, which are difficult to compare and which frequently do not focus on the priority tasks of the plan and on the development of economic organizations, is regarded as competition which should be based on comparable criteria. Furthermore, it is now, and it will be in the future, a challenging task to renew competitiveness because it is linked, among other things, with the struggle against formalism ingrained in the process of adoption of socialist pledges.

The strategy of acceleration and the required national economic production depend primarily on the fulfillment of qualitative indicators of the plan, i.e., higher productivity of labor, reduced material costs, higher technical economic standards of production and of the utility value of manufactured goods, and on that basis, also more lucrative foreign trade. These requirements are best served by the URO's initiative program which calls for a 0.5 percent cut in material costs, a 1 percent increase in labor production, and for substantial improvement of the quality of manufactured goods above the stipulations of the plan. If we fail to use these urgent demands as a basis for every type of initiative and socialist competition, their effect will not improve. Then even such an important as the movement of socialist labor teams, which should be a mainstay of the restructuring process, cannot fulfill its avant-garde role.

If we regard the current development of the URO's initiative as unsatisfactory and if we openly criticize some of our trade union officials for their failure to realize its importance, we must address the same words of criticism to most of our economic managers. We must add that, as confirmed by past experience, the URO's initiative is also an effective device in the struggle against formalism in the development of our working people's initiative. In this respect conferences organized jointly by the factory committees of the ROH [Revolutionary Trade Union movement] with our economic management should remedy the situation more expeditiously than in the past.

This applies also to a broader implementation of the appeal made by the Prague factories which called for closer unity of sciences with production.

We realize that the application of the new economic mechanism will be an unusually demanding and complex process, which in many ways will be reflected in the organizational structure of our trade unions and in the role and position of individual agencies as well as in relations among our trade unions and state and economic organizations. Therefore, in our view, our all-union and federal agencies must unconditionally assume from the very beginning an active role in the specification of the principles, in the drafting of comprehensive documentation and in prompt stipulation of appropriate directives for its fulfillment.

For the same reason, our trade union federations must get involved above all in the implementation and evaluation of experience gained from the experiment which will test the expanded independence of our economic organizations and their greater responsibility for a favorable development.

In agreement with the decisions of the 17th CPCZ Congress, our trade unions will do their utmost to turn the activity of our working people and the new economic mechanism into a powerful weapon in the struggle for a successful socioeconomic development of our society.

9004/12951
CSO: 2400/220

WRITER WEIGHS RESPONSE TO CHALLENGE OF RESTRUCTURING

Prague TVORBA/KMEN in Czech 8 Apr pp 1, 3

[Address to the 4th Congress of the Czech Writers' Syndicate by Stanislav Vacha: "Restructuring = We"]

[Text] Something momentous is going on around us. The world is astir, and we all can sense the significance of the variants now at play and their great consequences for us.

Even our immediate surroundings--our country and the community of socialist countries whose citizens we are--have not been spared this intense and complex dynamism. The change does not affect only technology and economy. It strikes at the very heart of the matter. Our faith, our self-image and our aims are being reexamined, which is usual in a period of great changes. When everything is set in motion, we search for a safe haven in matters that are permanent, that endure and can withstand the test of time. But what if the changes penetrate all the way down to the very root? We are talking of restructuring; it is obvious that it is necessary if the shortcomings which we regard as fundamental and persevering are to be eradicated.

As writers, we are especially troubled by the development in the area of ethics. Much too often we encounter incompetent individuals in top positions, or persons who would do anything for their own profit; parasites who pocket high wages for their sloppy work; bureaucrats who pretend to attend to their duties or who hold back and annoy others on purpose; envious people trying to undercut and knock down anyone in advance in order to spoil the other fellow's chance to live better than themselves; lackadaisical persons interested in the latest things and nothing else. Such people know how to cover themselves with pretense and hypocrisy on the outside and can readily rationalize their actions at home, for example: "If others can, why shouldn't I?" Such "successful" individuals who give so little and demand all often serve as role models and arbiters for less successful persons and also for a rather sizeable part of our youth who may condemn them but who very soon will imitate them.

As Marxists we must frankly admit: these phenomena must be objectively determined, if they have survived and persisted. For several decades we have been trying to translate into reality a specific plan of a just and prosperous society. We believed that people in that society would care for

our public good as they would for their personal property, and that they would be dedicated and self-effacing heroes. We wanted all to be equally important and equally prosperous. In our economy we put our money on centralized management run by a rational center which knew everything and whose decisions would benefit our nation.

We experienced on our own skin and in our hearts how that simplistic and seemingly fast and direct road led us away from our goal, and is still leading us astray. We had to go back to the Leninist essence of socialism and pursue our social goals over our people's interests. The Soviet economist and journalist Gennadiy Pisarevskiy recently wrote: "It is either the law of value, planned management of socialist markets, normal market-price relations, or countless conflicts with reason and criminal laws. Either equality in very modest sufficiency, or inequality in luxury. There is no other alternative; the third option will be given only in a distant future--in a communist society."

And so it happened that society which violated the fundamental principles of socialism--"Each according to his abilities, to each according to his work"--has deviated very far from both ethics and prosperity.

Although some people may think that these issues are far removed from literary art, they should not be, because this is reality. These matters should be in the focus of our attention because their solution calls for a rearrangement of our innermost human certainties, our faith and our ethics--and is this not the most intrinsic subject of literature?

An author may object: "All right, we may write about that, but what can words do? Our words certainly cannot change individuals who are learning every day from their experience and whom their experience guides and brings them opportunities and often also rewards. New morality must be firmly rooted in the economic system, otherwise it would flounder like a spirit over the waters. But will it get rooted and assert itself all by itself? Of course not; people must enforce it! Writers must help win over people's minds and hearts for such endeavors."

That is not an easy task. One of its problems involves full comprehension of all those complex solutions which are our target in the restructuring of economy and philosophy, and indeed, also in the restructuring of ethics. Should we now glorify the eager beavers who are pursuing their own advantages and whose contribution to society is only of secondary importance to them? Should we change the moral tone of the words we have written before? Should we really hitch egotism to the wagon of our progress? Are we not sacrificing our social progress to the vision of technological and economic advances? Will our goal be not deformed by the means we are using? Shall we not strengthen people's egotism by using it and giving it some elbow room?

Literature must ask these questions. It cannot permit naïve, short and simplistic answers. To utilize people's interests and to link them to the interests of the whole society, that means to direct them toward social goals instead of leaving them to rot in indifference or to let them be used illegally against public interests. Can we then speak of the interests of

individuals are dovetailed with public needs. An individual will set out to pursue his own aims and reach public welfare.

Indeed, the ongoing changes in our society are far-reaching. From this broad perspective we should also view our current literature. Of course, it is not my intention to demand that writers take up journalism and serve current needs, even though good journalistic reports spotlighting current problems would hardly detract from anyone's literary prestige and reputation. Furthermore, I do not want to turn this topic into the primary criterion of their work. Sure, it is everybody's prerogative to write about things one finds exciting, be it love, a humoristic description of family trials and tribulations, or a vision of life on some strange planet. It is no small and easy task to entertain readers.

However, our foremost authors always harbored the ambition to depict their own era, to present its artistic portrayal, to capture it forever, to give a name to the experience of their heroes, and last but not least, to show through the character of a positive hero the main trends of development in their time and its opening to the future.

I should like to stop here for a moment and speak about the positive hero. We all know that to write about him is very difficult--far more difficult than to write about villains because a positive hero does not reveal only the truth about life but also the truth about our dreams and how to fulfill them. Are we so fed up with invented one-dimensional, shallow heroes without fear and without reproach, and are we so often fascinated with the dark side of life? Do we see all around us so very few beautiful real people that we are unduly reluctant to introduce in our stories a real, non-idealized, positive protagonist? Even critics are no longer bothered by that; they say that the reader's heart may be turned to virtue if our suggestive description can elicit in it an aversion to vice and evil. That may be true, but in my opinion, the impression left by a positive hero is different and more powerful. The identification with him is a potent emotional charge. Moreover, a positive hero represents a solution, a point of departure, an example of aggressive and triumphant morality. Precisely because of these challenging demands a positive hero poses such a difficult task which requires carefully developed and proposed solution, not just a sliver of truth, however tragic it may be.

Even in the future individual writers will go on writing as they please, but the general trend of our literature should capture not only the most substantive analytical and critical aspects but also the pathos and the ethos of the goals pursued by the restructuring of our life.

Something momentous is happening all around us. The time has come again when we must weigh our truths and test the foundations of our faith. The vanishing point of truth, a solid rock, the strongest pillar is man; he is the creator and user of advanced technology, the steward and energetic entrepreneur for whom material goods are not the end but the means to humanness; he is the creator of human environment in which he must live; he strives for an order and a society where human dignity, diligence and candor will be rewarded and honored, and where insincerity, indolence and deceit will be punished.

Let us create more such men than in the past in the stories we shall write, because the restructuring and its far-reaching changes involve also a return --a Leninist return--to the wisdom of good stewards and to the honesty and ethics of working people, a return to the innermost essence of socialism which is a perpetually self-renewing and restorative hope of mankind.

Moreover, restructuring means also return from the economics of indifference and irresponsibility which often regards heroism as an improbable folly and exploiters as red-blooded and credible protagonists, to a society where diligence, application and honesty will serve as economic and ethical criteria. The success of this lofty aspiration depends to a considerable degree on ourselves.

9004/12951

CSO: 2400/227

WATER SHORTAGE IN SLOVAKIA NOT ALLEVIATED

Prague RUDE PRAVO in Czech 22 Apr 87 p 2

[Interview with Rudolf Schuster, chairman of the East Slovakia Kraj National Committee, by Eduard Drabik, date and place not given; questions and answers in Czech]

[Text] There have not been any good rains in the eastern part of the republic since last spring. For a half year now the supply of potable water has been strictly regulated in the kraj capital city. Hopes for wintertime moisture were not fulfilled and the council of the Kosice City National Committee had to make the measures even more strict. Water flows into housing for only 2 hours in the morning and 4 hours in the afternoon, and hot water is available only 3 days per week. The SSR Government has taken on the situation and its representatives headed up by Petr Colotka reviewed it right in Kosice. We requested a conversation on this subject with the chairman of the East Slovakia KNV (kraj national committee), Rudolf Schuster.

[Question] What is the situation in the kraj at this time?

[Answer] Despite the fact that in some places, for example in Humenny and Snina, the situation has improved considerably, we continue to evaluate it as catastrophic on the kraj scale. Regulation at the third level is in effect in Kosice, Presov, Roznava, Revuce, Poprad, Svit, Kezmarok, Stropkova, Svidnik, and Krompachy. The towns of Gelnice, Prakovce, and Rudnany were supplied by tanker trucks. Time limitations are in effect in another 35 smaller population centers. About 700 liters of water per second are lacking for a continuous supply. These problems are affecting more than half a million people. The supply of potable water in the Bukovec reservoir will last us about 4 months.

[Question] What is being done in the meantime to alleviate this difficult situation?

[Answer] Because of the unfavorable situation in Kosice, which lacks about 400 liters of water per second, and the low supplies, additional wells were drilled around the city in accordance with the SSR Government's resolution. We thus acquired another 10 liters per second and found several sources which will be connected into the distribution network as soon as they have been checked out. Hygienic personnel are also helping by checking out new sources right in the field.

We are taking measures in the other regions of the kraj as well in order to overcome this unfavorable situation. We have gained 30 liters of water per second from drilled wells for Presov so far. Surveys have come up with the same quantity for the Roznava area. Work is being expedited on the projects for increasing the capacity of the Kosice and Presov reservoirs. We are preparing hydrogeological surveys in other parts of the kraj as well.

[Question] Actions have certainly been taken for better water management....

[Answer] In addition to the regulation measures, in Kosice, for example, the water supply has been limited for 57 largescale consumers at 180 delivery locations. The routine consumption was reduced by one-third for the food-stuffs industry and by two-thirds for the other plants. All public swimming pools were closed. The situation is underscored by the fact that even in the medical facilities water cures are restricted to only exceptional cases. One must, however, praise the awareness and civic responsibility with which the majority of the population has reacted to the complex situation.

[Question] The severity of the current situation leads directly to the question of whether something was neglected in the past.

[Answer] There are people of that opinion. In Kosice, water supplies were regulated in the years 1982 and 1983. At that time, we were already proposing bringing water in from the Bodva, but the proposal was not approved. The SSR Government tasked us with overcoming the problems and provided special financial resources. We thus acquired new water sources which brought the city a total of 213 liters of water per second. Stop-gap sources were also connected up right in the city where 51 new wells were built and 44 old ones restored. The plants also came up with savings of an additional 120 liters of water per second.

Meanwhile the task of increasing the capacity of water transport from the underground springs of Drienovec-Turna by 136 liters was not carried out. The Slovak Planning Commission allocated funds as early as 1984. In the last 2 years, however, even these sources have been poor ones and could hardly have helped.

[Question] Did any new measures come out of the SSR Government's negotiations and the meeting in Kosice?

[Answer] At the negotiations the actions which must be taken without delay to resolve this catastrophic situation were approved, especially for Kosice and Presov. A procedure for accelerating the construction of the Starin reservoir was agreed upon so that by the end of 1989 it would add 250 liters to the Presov and Kosice supply and in later years up to 340 liters per second. Originally we requested Kcs 667 million to overcome the current situation in the kraj and for a partial solution for future years. The SSR Government has meantime provided funds for the most essential actual needs, including the construction of reservoirs, which will amount to around Kcs 176 million.

[Question] The definitive solution is the future connection of the Starin and Domas water reservoirs, but this will take place only future years. News items, however, speak of low water supplies there as well. Are you not searching for other alternative solutions in the kraj?

[Answer] No, we are not. The water management people, specifically the Ministry of Forest and Water Management of the SSR and the Water Management Research Institute in Bratislava, did this themselves. According to their reports, it is possible to get an annual average of 200 to 250 liters of water per second from the Bodva River watershed. Depending on the flow, we could pump from 50 to 600 liters per second. We consider this capability to be an economic advantage if the first stage of the future water reservoirs is rapidly implemented, on which we are counting in our long-range plans. The main problems should be definitely resolved by connecting the Domas water reservoir in the years 1990 to 1995. We therefore must now make the best possible preparations for its utilization for drinking water.

[Interviewer] Thank you for the interview.

6285/12851

CSO: 2400/248

SEJM VICE MARSHALL ON ROLE OF NON-PARTY ACTIVISTS

Warsaw ZYCIE WARSZAWY in Polish 21-22 Mar 87 p 3

[Interview with Professor Jerzy Ozdowski by Ryszarda Kazimerska; date and place not given]

[Text] [Question] How do you view the possibility of non-party members participating in public life?

[Answer] All Poles should reach for a state of a certain degree of unity. General Wojciech Jaruzelski at the December session (5 December 1986) of the PRON National Council stated:

"PRON should participate more actively in the formation of the best candidates, which should include more non-party members than in the past. It should recommend them for positions suitable for their attitudes, capabilities, and possibilities. The opinions must be listened to with due attention by the proper political and governmental units."

These words should be read as encouragement and as an opening for non-party members. I think that this is something to which Wojciech Jaruzelski is committed, and which will be gradually and consistently implemented.

These are words, and the words are being and will be corroborated by action. To date, there are not many non-party members in decision-making groups. Professor Jarzebski and Krawczuk are the two ministers we have in the government who do not belong to the party. Of the voivodes, only the Zamojski voivode is not a party member. The situation is better in state-run industry.

I am being frank when I say that non-party citizens, belonging to decision making bodies, and who feel responsible for government matters, have a difficult role. Because of its nature, political activity is a difficult way to carry out social duties. It is a service demanding of the politician not only competence but also objective goodwill, mature caution, and alertness to loyal cooperation. While maintaining his own identity, the non-party politician must demonstrate complete dedication to his own duties and act for the common good of all citizens.

[Question] Perhaps this is the case because non-party members have not had a place in which to be tested.

[Answer] Excuse me. A number of non-party members are in People's Councils--in self government, trade unions, associations, and in other organizations representing society. In these settings they can be recognized, and as you said, "tested." It seems to me that the set-back comes from both sides. I recall that before the last election to the Sejm we wanted to include some well-known individuals, who were held in high authority in their circles, but...

[Question] ...not all accepted the invitation.

[Answer] Yes. In any case, the beginning was made. And before the elections to the People's Council and the Sejm, there were more non-party members on the lists of candidates. In the 9th Sejm there are more non-party members than there were in the 8th Sejm. The same is true with the advisory and consultive organs--next to many of the names one could add the term "non party." In decision-making organs it is necessary to speed things up.

[Question] In the current Sejm there are 74 non-party members.

[Answer] Dobraczynski, Suchodolski, and other representatives of various circles, and of various representative and social organs have taken seats on my bench in the Sejm.

[Question] In the present Sejm there are Sejm members recommended by PRON. But PRON is not the way for every non-party member.

[Answer] Indeed, one hears such views. Our movement is young. The first term of office for the National Council and for the provincial and basic cells is coming to an end. The 2nd Congress is before us and we are summing up our four-year output. It seems to me that PRON has fulfilled its programmed role. However, this is not always perceived and appreciated. In comparison with the National Unity Front, PRON is a new quality. Both in the program declaration and in the congressional documents there is a wide area of dialog and national rebirth, an area of meetings between party members and non-party members, that has not been taken advantage of by everyone. The way of broadcasting what we did was hardly perceptible, and often misleading. Many people today do not really understand the nature of PRON. They treat us like a movement which arose as a result of initiative by the authorities. But PRON sprang up from below. Its first bridgeheads were the Citizens' Committees to Save the Nation, which was formed spontaneously as an expression of the peoples' will. Only with time did the movement begin with the goals of unity and understanding. I emphasize the word movement, because we are not an organization, it is only really a movement in which we participate, without membership cards and dues.

PRON is not an organ of the authorities. It also does not have a monopoly. It does not want to be an exclusive representative of the government. It wants to be a partner, an inspirator of that which is good or leads to good. There still is not enough public knowledge about PRON.

[Question] And still one observes a bias in some circles.

[Answer] I believe that the ignorance is primarily the source of that aversion. As a participant in that movement, I was busy with cultural matters. I was active in the Commission on Culture and I must state that we have made many notable achievements. Preparations are already under way for the Second Congress of the Culture of the Polish Language. The Professor Doroszewski Award will be awarded soon. We have done much to introduce culture of esthetics into schools. Sculptors have benefitted from our requests, having received the possibility of additional work and income as well as the possibility of esthetic influence on the young sensitive viewer. We also became involved with the musical instrument industry. It is not permissible that good instruments have to be imported from abroad when seven factories here are actually falling apart. We pointed this out, and our insistence led to the present funding to build and renovate the music industry. We also turned the Ministry of Culture's attention to the necessity of teacher privileges in book distribution. We have 500,000 teachers and they must have dictionaries, encyclopedias, etc. so they can propagate culture and knowledge. The ministry agreed with us. It seems like a minor matter, but it has colossal social implications.

[Question] Let us move on to general appraisals. What would you say about the past 4 years of PRON?

[Answer] We are ending this period with accomplishments that give satisfaction to the signatories and the numerous individual and group participants who brought PRON to life. The Patriotic Movement has done much in serving the goals of understanding and agreement, and also the great issue of renewing morals and customs. We did not want to separate social renewal from moral renewal, from the ennoblement of the human being, and from the voicing and internalizing of fundamental values, norms, and virtues worth maintaining.

I do not think that PRON is appreciated. Thousands of people active in the movement have given testimony through their work to the just cause. They began the improvement and renewal with themselves.

[Question] You are the "father" of the Catholic Social Thought Forum. At one of the meetings you said that the church and the state should meet on the basis of dialog and cooperation in the name of the good of the nation and the people.

[Answer] And I say that today, too. Catholics are obliged to conduct themselves according to the teachings of Vatican II, and by the contents of the Council's constitution "Gaudes et Spes" which clearly defines the relationship of the church to the world and to temporal problems. During Forum discussions we try to influence people through the propagation of authentic Catholic social teaching and social ethics, which regulate interpersonal relationships at home, with the family, in the state, and in the world. At the Forum we discuss the fundamental documents of the Apostolic See and the Polish Episcopate concerning social matters. There are approximately 160 members of the Forum, and topics such as: "the ethics of public life" and "demographic problems" are suggested by the participants.

[Question] It seems to me that the social teachings of the church are not popular among the faithful and are not well known. Catholic social teachings can be widely used in the religious instruction. Believers have a dual affiliation--to the church and to the world. Taking part in temporal life, they should act as a leaven, the agent of change and transformation. The task of lay individuals is to renew temporal order directly and decidedly. With this goal, and directing themselves by the light of the Gospel and the spirit of the church, Catholics are called to harmonize the order of temporal affairs with the principles of truth, justice, love, and freedom. Then, in human hearts and in social relations, real peace will be confirmed.

[Question] Lately you have become the prime mover of the new association "Responsibility and Act". What is that?

[Answer] This is an association that we have wanted to start for a long time, initially under a different name: "The Current." At last, the matter matured, as it is said. We already have concluded all the formalities such as registration, etc. The association "Responsibility and Act" is linked with the doctrine of the Polish pope, which is contained in his earlier works "Love and Responsibility" (1st Edition, 1960) and "The Individual and the Act" (1st Edition, 1969). The association's name actually comes from the titles of these works. "Responsibility" comes from the first and "Act" from the second. Our guiding lights are three ideological elements: personalistic humanism (accent on the person as an individual open to society); authentic patriotism (an individual best develops through conscious participation in social life); and practicism (a very Polish concept, which speaks of how an individual expresses himself primarily in action, and activity perfects him and reality). These concepts are for us beacons that we want to reflect upon and to propagate in support of the recognition of the past and present achievement of Polish thought and Catholic social experience. Master Pawel Wlodkowic, rector of Krakow University and Cardinal Stefan Wyszynski, Primate of the Millennium are our patrons.

13073/12951
CSO: 2600/532

ACADEMIC STRUCTURAL REVIEW, CERTIFICATION DEFENDED

Warsaw RZECZPOSPOLITA in Polish 23 Mar 87 p 3

[Text] Measuring by economic effects, the efficiency of scientific research can be brought about when the national economy makes use of its own scientific and technological critical analysis. Although everyone already realizes this, it does not mean that it is everyone already realizes this, it does not mean that it is corroborated in economic practice. Thus, it is urgent to create an organizational-legal system to assure the flow of information between academia and the national economy. Among other things, the projected structural review and job certification in academic-research and research-development institutions is to serve this goal. The continuing discussion shows that the issue is not a simple one, because the world of academia is one of very highly creative individual and group activities that cannot be placed in a strict schema.

The general goals of the structural review and job certification in academia are: the increased influence in the preparation and introduction of scientific-technological progress into the national economy; and the satisfaction of social demand for research works and concrete solutions. In the long run it should also influence the improvement of living standards and hasten cultural development.

The structural review in academic-research and development institutions is to include the utilization of material resources; the tasks; the staff; and the organization of work. However, due to the specific nature of academia, the model applied in industry cannot be used here.

The authors of the various proposals for the structural review and job certification in academia suggest that the task review of academic-research institutions should include information about similar institutions in the country that conduct similar research. It also should include comments as to whether the country's needs in the particular analyzed area are being satisfied.

In the opinion of many authors, the staff review should not only include an appraisal of staff quality but also "...the possibility of using the knowledge and talents for obtaining significant effects, the relief of the best specialists from work which does not demand such qualifications, shifting staff to sections not sufficiently manned, and the flow of staff between industry and research-development units".

Many proposals have suggested that the organization of work in academic-research and development units should be analyzed from the point of view of the 4 major spheres of activity: research-analysis, laboratory work, technical-administrative, prototype-construction. In addition, it has been suggested that the flow of results between academic and industry units should be taken into consideration when analyzing the organization of work.

Academicians have stated that in the proposed structural review and certification in academia, the evaluation of material resource use should cover a number of things in addition to the amount of time the equipment is used. These include the equipment's modernity and its comparative precision to other equipment in the country and abroad. Material resource evaluation also should be looked at in the context of the usefulness of doing work with those methods.

The academic environment is primarily in agreement that self-appraisal is the best method for the checking the efficiency of academic staff. Issues involving staff are very delicate areas in creative environments. Of course, this does not completely exclude outside verification in particular cases, and one should count on incidents of subjectivism in self-appraisal and self-protection. However, this solution poses the least risk of potential conflicts in the environment. For research workers, a rule should be introduced providing for the presentation of a bi-annual report outlining one's creative activity, a list of publications, patents, training, projects, construction and other work. It also has been suggested that outstanding energy in academic activity (such as the pursuit of further academic qualifications) be taken into consideration in the appraisal. In the proposals for staff appraisals the following quote is repeated: "...it should be heavily emphasized that staff reviews in general, and of creative staff in particular, must be carried out with utmost care, tact, and flexibility..." This concern should be extended to all areas without exception. It is a fundamental element in achieving positive results in certification activities.

As to the question whether the higher educational system should be joined into the stream of review and certification activities--the predominant opinion is yes. This is crucial because at the present time all higher schools are preparing their own programs for future development. These programs will define the direction in which the schools will develop. The structural review and certification will be a good opportunity for an extensive evaluation of the structure of higher schools, and also will permit thought on the possibilities of internal change, such as defining the principles for the financing of higher schools, and in establishing the proportion between educating functions and research functions. It also will permit defining the staff structure.

Developing the concept and form of the structural review and job certification in academia continues, and proposals are being carefully verified. It is still difficult to say what the final form of the projected solutions will be. Judging, however, by the present approach to the problem it is possible to assume that they will bring the expected benefits for academia and for the national economy.

13073/12951
CSO: 2600/532

POEM COMMENTS ON BLAGA'S FATE, REHABILITATION

[Editorial Report] Cluj-Napoca TRIBUNA in Romanian No 23, 4 Jun 87 publishes on page 1 a short poem by Mircea Vaida titled "Poem of Bronze." The poem is about Lucian Blaga (1895-1961), the major figure in 20th century Romanian philosophy, a diplomat and a prolific poet in his own right.

The poem is intended as a comment on Blaga's fate after the communist take-over at the end of World War II, when he was fired from his teaching post as professor of philosophy at the University of Cluj for perceived inconsistency with Marxism. Though later rehabilitated, as the poem acknowledges, little doubt is left as to the reality and significance of Blaga's suffering. The statue mentioned in the text was erected in September 1986 in front of the National Theater in Cluj-Napoca beside one of Mihail Eminescu, Romania's national poet.

Here is the text of the poem.

"The bronze of Lucian Blaga's statue
has entered the citadel,
at last it is intra mures
a man built out of the same matter
as the great bells.

I look at him, I bow.
A trembling wound
forms on his chest
a fissure like a blue snake
descending toward the heart.

The poet, even when he is a star
when he is a statue--
comes out of the bronze,
his soul crying out tears."

/6662

CSO: 2700/232

INTERNATIONAL SCOPE OF SLOVENIAN NATIONAL PROGRAM VIEWED

Belgrade BORBA in Serbo-Croatian 23 Apr 87 p 8

[Article by Marko Vrhunec: "Transparent 'Forgetfulness'"]

[Text] In reading "Contributions to a Slovenian National Program" (NOVA RE-VIJA, No 57), of which the authors themselves say that they are the fruit of quite intensive research and highly intellectual assessments, we find to our amazement that they have not taken into account the international dimensions which have essential importance to correct assessment of historical and present-day foundations of a national program. How is it possible for authors of any competence whatsoever to "forget" that the Slovenian people does not live alone and that Yugoslavia is surrounded by real and frequently brutal external phenomena, relations, and pressures which do not acknowledge romantic nationalism and arbitrary opinions, aspirations, and conclusions which lie outside the international space and time?

There is every indication that the authors of the "Contributions..." skirted around the international dimensions simply because they did not find support in them for a single one of their unacceptable assertions. This applies both with respect to the legitimacy of the National Liberation Struggle, which has been acknowledged by all progressive and antifascist humanity, as well as to the SFRY, which all states in the world have recognized in international law. Probably the authors also skirted the international dimensions because in their awareness of Yugoslavia's international position and reputation, they knew that their reflections concerning a possible different constellation for Slovenia would not encounter approval even from neighbors in Europe--both east and west, nor from the rest of the world, especially the nonaligned world, and that they would be rejected as groundless and unacceptable for present-day international relations. That is why the author's premises that today the Slovenian people could establish linkage within some sort of other state community, with other non-Yugoslav nationalities, is altogether without basis.

The Conference on Security and Cooperation in Europe as a Signpost

The authors should be reproached for having initiated a polemical debate on the need to change the Slovenian national program and borders without respect for the international position of the Slovenian people and at the same time for having intentionally or unintentionally overlooked two things. First, that in

today's tripolar world any change in national programs has international consequences and automatically raises the issue of general world equilibrium. There is a particular interest and appetite on the part of the two blocs to capture a new sphere of interest, especially such a geostrategically and politically important region as Slovenia. This applies still more to present-day Europe, which for 45 years now has been solidly divided and partitioned in blocs, stocked high with weapons and armies, combined unfortunately with the nuclear equilibrium, which for the present is averting the possibility of an atomic war.

How is it possible for the authors of the "Contributions..." to overlook the global agreement which in 1975 at the Conference on Security and Cooperation in Europe accepted the status quo in Europe and sanctioned the unchangeability of the existing and unfair borders and by agreement put an obligation on all the states of Europe to respect the present international position of each of them? Where is one to place reflections and recommendations of some "contributions" which negate the Europe set down by that conference, and what context do they fit in? Was it not characteristic in this respect that Kohl should recently have said, as though giving a lecture to certain people around NOVA REVIJA, that today the basic long-term interest of West Germany and western Europe is for Yugoslavia to have strong internal unity and a policy of nonalignment toward the outside, since this is an integral part of European stability? That is why all of Europe is closely following the domestic situation in Yugoslavia and is ready to cooperate in every way only with a nonaligned and stable Yugoslavia.

Can it be that the authors of certain "contributions" do not see at all what that means? Is it possible that serious and qualified people should look upon such important issues without appreciating that the Slovenes are not alone in the world, that like it or not neighboring peoples must immediately raise their heads and prick up their ears when someone in the neighborhood is thinking along those lines.

What do they hope for from an outdated Central European Formation which was long ago rejected even by its authors themselves, since today Europe is integrating according to altogether different criteria and interests? Have they forgotten that it was precisely in the central Europe of Austro-Hungary that most of the Slovenian people assimilated, from Klek and Reziya eastward? This kind of development made patriotic and progressive Slovenian spirits and veterans of the National Liberation War aware and convinced that the survival, security, and development of the Slovenian people are possible only in the SFRY. That is why certain authors overlook that in spite of the post-Helsinki Europe, even today there are living on our borders, considerably weakened it is true, the forces most dangerous to the Slovene people such as the Italian neofascists, whose party is fighting for "liberation" of Istria, Rijeka, and Dalmatia, and the Austrian neo-Nazis, who are openly propagating assimilation of Slovenes and are still nurturing the spirit of the policy "Drang nach Osten." Is it not the views of the authors which weaken Yugoslavia and bring water to their mill?

The second thing which certain "contributions" not only fail to appreciate, but indeed even threaten, are all of the extremely great and important international

achievements which Yugoslavia has attained as a nonaligned, self-managed, and federal European state undergoing development. The survival and development of the Slovenian people depends to an especially great extent on successful implementation of the spirit and the letter of the policy of nonalignment and the agreement of the Conference on Security and Cooperation in Europe with respect to our neighbors on the basis of a single Yugoslav foreign policy, which consistently argues for achieving for ourselves and other peoples independence, sovereignty, equality, nonintervention in internal affairs, harmony, understanding, and friendly and socialized cooperation in every way. Only the achievement of principles of that kind makes it possible to conduct a policy of overcoming borders, which is the vision of Europe's future. It is especially important to the Slovenian people, segments of which are living in three neighboring countries.

An Assault on the SFRY

At the present moment it is particularly dangerous to initiate a discussion of the "Contributions..." (read: "changes") of the Slovenian national program is detrimental to the solidity of Yugoslavia's international position. It has already been hurt quite a bit because of our domestic economic crisis, and the debates imposed on nationality affairs detract from this position still more and thereby weaken the general efforts to overcome the crisis. That is, not only does it weaken them, but it also causes reserve and wariness in our neighbors and other partners who are playing an important role, especially in overcoming external factors of our crisis such as the debts. We ourselves are thereby weakening our international position and arousing suspicion in the world as to our ability to overcome the crisis and achieve a stable socioeconomic development for Yugoslavia as a whole.

Fateful Consequences

The ball is continuing to unwind. Any weakening of the YPA weakens our general security and encourages a number of appetites toward Yugoslavia--from political-ideological to territorial. Isn't the example of Lebanon--once a flourishing multinational and ecumenical state--sufficiently eloquent? There it all began with changes in the programs of various ethnic groups, and it has been continuing for more than 10 years now with destruction and bloodshed, along with the strong involvement of other states. In Europe, as indeed elsewhere in the world, the situation is not idyllic and cannot withstand any gambling with the destiny of states. And relations on our borders are still heavily burdened with mortgages to the past, with ethnic problems, and bloc-oriented interests. If moves are made which have not been thought through, such as changing the national program, a hotbed of crisis could be created quite quickly even in our country. If we have managed to transform what once was Balkanization into peace, harmony, and cooperation, we must watch carefully not to cause Lebanization. It is our domestic economic crisis and situation in the world which require caution and full social responsibility in raising vital social issues. To be sure, they should be taken up courageously, but a selection should be made with full responsibility of those true issues which strengthen rather than weaken the position of the nationalities and ethnic minorities in Yugoslavia and Yugoslavia's international position. This especially applies to the

question of the national program, which immediately touches upon fundamental domestic and external relations.

The assertion is also unprofessional to the effect that the contribution of one or another nationality can be measured in the national income of exports or imports. The theoretical and practical problems of unequivalent exchange must not be confused with the rather modest results in efficiency and productivity in the conduct of economic activity. These are very complicated computations and problems in both theory and practice, and unless we want to create inter-ethnic problems, we should examine them very carefully, thoughtfully, and responsibly.

Slovenia must certainly bear in mind that the Yugoslav economic hinterland guarantees it a considerable advantage, while in any "central European" combination it would be in the opposite position and as less developed would be under constant pressure and subject to constant exploitation by the more advanced parts, and this would have fateful political and ethnic consequences. The problem of unequivalent exchange is not ours alone, of course, nor is it only a theoretical problem. It is arising today in actuality as one of the central contradictions manifesting itself in the immense gap between north and south, between the more advanced and the developing countries. It is in fact well known both to Europe with its south and also to states like Italy.

7045

CSO: 2800/216

LAND PROPERTY PROBLEMS ALONG BULGARIAN BORDER

Belgrade BORBA in Serbo-Croatian 23 Apr 87 p 7

[Article by Veroljub Jovanovic: "The Power and Weakness of the Property Deed"]

[Text] Following World War II, when I was 15 years old, almost every day I went across the border into the People's Republic of Bulgaria with my father Mihajl and my mother Stanka, using what were called dual ownership passes. We cultivated 2 hectares of our fields, used 1.5 hectares of meadows, and 3 hectares of woods. We had also done this during the period between the two world wars. I remember that we were quite well-off in the village.

In 1948, however, the Cominform Resolution came down with all the related adverse consequences, and the situation changed altogether. The border was closed, and 2 years later our farm was confiscated without any sort of compensation whatsoever. More accurately, the boundaries were destroyed, collectivization took place, and the farm went under the management of a TKZS, a labor-cooperative agricultural economic entity. The loss of that kind of farm inevitably had an impact on our standard of living. My parents went out to work for wages, and that was how we got along.

This is the story of Aleksandar Slivenkov, born in the village Gradinje in Dimitrovgrad Opstina, in the immediate vicinity of the Yugoslav-Bulgarian border. The families of Dimitrov Hristov and Slava Dejanov experienced a similar fate, as did nearly 80 other households from that village. And not only that village. Along the border, which is 73 km long within Dimitrovgrad Opstina, the same trouble befell several hundred inhabitants of the villages Senokos, Gornji and Donji Krivodol, Vlkovijs, Mazgos, Brebevnica, Bacevo, Lukavica, Slivnica, Gornja and Donja Nevlja, Vrapce, and others.

Our citizens, that is, have for almost 4 decades been unable to use their land on the other side of the border. At the same time there has been a manifold increase in the number of Bulgarian nationals who independently possess ever larger farms within Yugoslavia. They are even helped along by the luxury of evading taxes without penalty. What is this power and weakness of the property deed, which is rightly arousing a great deal of resentment?

"Unknown" Taxpayers

The chairman of the Executive Council in Dimitrovgrad Opstina, Krum Velickov, cited an improbable datum: In 1966, 73 Bulgarian nationals had farms in this commune, and this year, 21 years later, official records show 322 taxpayers from the neighboring country. How has such growth taken place?

"These are heirs. To be specific, thanks to family connections many Bulgarian nationals have inherited land left to them by Yugoslav nationals. That is how it is that foreign heirs are recorded as owners of property in our jurisdiction. That number has been increasing steadily. Because of the limited number of exits from Bulgaria, the new owners are unable to cultivate their land on their own, but usually they lease it out," Velickov says.

The foreign landowners, just like our own citizens, have the obligation to pay the opstina tax on the cadastre income. Some do so, but not all. There are those who regularly evade this obligation, and for the present they do so with impunity. The tax claims at the moment amount to nearly 600,000 dinars, which for an underdeveloped opstina like Dimitrovgrad is not a negligible revenue for the budget. However, the inequality of people before the law is a bigger problem.

In a case when a tax obligation cannot be met, there is the possibility of undertaking public sale of real estate. Doing this requires first taking certain legal actions. One of them is to serve certain documents upon the delinquent taxpayer. Mail of that kind, we were told in the Public Revenues Department of Dimitrovgrad Opstina, is returned marked "unknown" from the People's Republic of Bulgaria. It is also possible to serve the papers through diplomatic channels, but this has not been taken advantage of.

"Last year we had in the courts some 20 cases of failure to pay taxes; however, we were not able to complete a single 'case' successfully, since in the Public Revenues Department they did not respect the established legal procedure," says Spaska Mitov, president of the Opstina Court in Dimitrovgrad. "In the 13 years I have been working there has never been a case of our undertaking a public sale of a farm because of failure to pay taxes."

"There are obviously grounds for the accountability of our Public Revenues Department. We have not yet raised this issue, but we certainly will be doing so," Krum Velickov emphasizes.

In the opstina court they emphasize the resentment of citizens who come and complain of the unequal treatment, precisely because it is impossible to enforce legal enactments against foreign nationals who own property in this region as is done against themselves. They also complain because of the land confiscated in the People's Republic of Bulgaria. The owners of such farms are dying off more and more frequently, and their heirs have not for the present been successful at all in pursuing an interest in compensation.

"The problem would be solved if we sold just one farm and paid the taxes out of the proceeds," says Spaska Mitov, "that would have a constructive effect on the

others, but we have not done this, and these claims lapse on the basis of the statute of limitations after 3 years."

The Opstina Is Helpless

Slava Todorov, president of the Dimitrovgrad Opstina Assembly, says that it is an indisputable fact that our citizens and Bulgarian nationals do not have the same rights in using and managing real estate.

"The people from Bulgaria often tell us that our citizens are on a par with theirs, but since the Bulgarians do not have the right to private property, it follows that the Yugoslavs are in the same situation," Todorov says. "Collectivization may be a consequence of their policy, but the issue of indemnity must be settled."

In the opinion of opstina leaders the problem is very delicate. It has a direct impact on the political disposition of people, and more effective action on the part of federal authorities is indispensable. Nevertheless, these are questions which must be regulated by treaty between the two states, since the opstina is helpless to resolve them.

In this and other border opstinas in Yugoslavia precise cadastre records have been systematized in the meantime. Instead of the previous incompetent and unreliable cadastre census, in 1974 a complete aerial photographic survey was taken of the land. Four years ago the new cadastre took effect, so that now there is accurate knowledge about every parcel and its owner. The competent federal authorities have been sent precise documentation on the nature of the whole problem, but they are still waiting for a proper answer and for effective action.

While this has obviously gone on too long, the basic problems of the status of our owners of farms on the other side of the border are still not being dealt with. The land cannot be used, there has been no indemnity, and there is a big question as to whether there will be any. The figure of several thousand hectares is mentioned. At the same time, an increasing number of Bulgarian nationals hold property deeds to land in Yugoslavia. They are gathering its fruits both directly and indirectly. Some are paying taxes, others not. And at present no effective remedy has been found for forcing them to do so. The question of dual ownership of farms in many opstinas on both sides of the Yugoslav-Bulgarian border and the power and weakness of the property deed obviously need to be worked out as soon as possible. Otherwise the negative consequences will only be greater.

"We lost our land nearly 40 years ago. When the border was opened up again in 1956, hope was restored, but not our farms. The old books, property deeds, and statements of our people provide evidence that we are right, but what good is all that," asks Aleksandar Slivenkov, one of the heirs of a farm on "the other side" of the border, resignedly.

He asks and like many others he is awaiting a favorable answer with less and less hope.

[Box]

No Applications for Emigration

In Dimitrovgrad they say that so far there have been no applications at all for nationals of the People's Republic of Bulgaria possessing property on this side of the border to emigrate to Yugoslavia. Among the heirs, however, there are also political emigres who obviously are not anxious to turn up here. But still they do not renounce their inheritance: Whenever they have the right and possibility to inherit a piece of land from their relatives--all Bulgarian nationals regularly accept it.

7045

CSO: 2800/218

ALBANIAN NATIONALISM IN MACEDONIA DISCUSSED

Belgrade BORBA in Serbo-Croatian 8 May 87 p 2

[Article by Vulnet Starova: "Albanian Nationalism in the SR Macedonia: Booby-Trapped Bridges of Trust"]

[Text] It is not enough to simply uncover and punish the perpetrators of nationalistic actions in court or before a magistrate; such activities must be exposed, and the advocates of indoctrination must be consolidated. It is necessary to avoid disturbing relations between the nationalities, especially in multinational areas. This is why it is necessary to reinforce mutual trust, to strengthen consciousness of communal existence, to affirm the process by which cultural values are mutually imbued.

It is with good reason that we consider that the political and security situation in the SR Macedonia today is heavily burdened by hostile activities originating from Albanian nationalism and separatism. Propagandistic, verbal declarations, brazen misuses of individual demonstrations and occasions, idea indoctrination perpetrated by individuals, especially in the schools, by way of cultural-artistic, scientific and other social activities, the misuse of religion as an expression of Albanian nationalism, instances of aggressive and lawless behavior towards Macedonians and members of other nations, nationalities and ethnic groups, tendentious purchases of property at incredibly high prices, pressure and the creation of ethnically pure settlements--these are clear signs of antagonistic activities with long-term goals.

Basic characteristics of antagonistic activity originating from the ideology of greater Albanian nationalism and separatism are open attacks on the constitutional order and legal system of our country and on the policy of the LCY, attempts to destabilize the country, the disruption of relations among the nationalities and the shattering of the brotherhood and unity of our nations and nationalities.

Superficial Results

Despite periodical declarations of neighborly relations and cooperation with the SFRY by Albanian leaders, they have never renounced their support for Albanian nationalists, nor have they renounced the revival of the reactionary

spirit of greater Albanian nationalism, which is nothing more than interference in the internal affairs of our country.

Working people and citizens, self-management organizations and communities, organized socialist forces and bodies of government and of self-management in Macedonia have achieved positive results in the struggle against Albanian nationalism and separatism--by revealing its goals, exposing its advocates and by putting in motion a series of concrete measures and activities intended to cut off its roots. These activities have been supported by the clearly defined majority of the Albanian nationality, who assert that Albanian nationalists should not be identified with the entire Albanian nationality, and that Albanian nationalism is contrary to the interests and progress of the Albanian nationality and traditions of communal life.

However, it is with good reason that we consider that these achieved results are insufficient. Antagonistic activities remain present today in partially disguised and changed forms. The reasons are found in our insufficient practical activities, in satisfying ourselves with verbal activities, in opportunism, in the insufficient use of all constitutional and legal measures, the insufficient inclusion of all themes in work with children, youth and people, and in the insufficient commitment of all workers, professional and social cadre from the ranks of the Albanian nationality.

We must take into account the fact that we are facing a treacherous enemy who plans and organizes his actions thoroughly, conducts continuous indoctrination, takes advantage of each of our weaknesses and attempts to subvert the sound achievements that we fought for during the People's Liberation Struggle, as well as to minimize everything on which our socialist federal community is built and developed. These forces should not be underestimated for one moment, nor should they be left any free room for activities. At the same time, it is necessary to avoid disturbing relations between the nationalities, especially in multinational areas, and to thwart activities of Albanian nationalism in indoctrinating young people on the basis of nationalism and separatism.

Conditions of Communal Life

This is why it is necessary to reinforce mutual trust, to strengthen consciousness of communal existence, to affirm the process by which cultural values are mutually imbued. All of this suggests the need for more rapid evolvement of demographic policy in the republic, which would, using a system of steps and activities, create the conditions for natural and mechanical movement of the population in accordance with established economic, social and political designations. Also needed is an active population policy that will--using measures of economic and social progress--improvements in the living and working conditions of women, as well as social action against backward ideas, habits, religion and patriarchal relations in the family and in broader environments--help reduce the enormous rise in the birth rate in certain regions in the republic.

However, the situation and atmosphere in mixed environments can ultimately be improved only through the direct commitment and action by the people who live

and work there. It is not enough to simply uncover and punish the perpetrators of nationalistic actions in court or before a magistrate; such activities must be exposed, and the advocates of indoctrination must be consolidated. There is a need for an even more intensive effort to raise the consciousness of all working people and citizens, especially those of Albanian nationality, by clearly showing that completely exposing and shattering the enemy acting on the basis of Albanian nationalism and separatism is a collective class and national interest of lasting significance.

It is necessary to talk openly and responsibly to the people, showing them plainly where the roads of nationalism and separatism lead, what the social order that they are promoting will bring with it, where imprisonment and isolation lead, the level of poverty to which an irrational, unplanned population policy can lead, and some of the potential consequences of a chill in relations between nationalities within a fraternal community. In addition, Albanian nationalists, as well as individuals of nationalistic appearance and tendency, should not be identified with the entire Albanian ethnic group. In order to realize this, a contribution must be made by all the citizens of the SR Macedonia, but especially members of the Albanian nationality.

12271

CSO: 2800/223

SERBIAN LC OFFICIAL MARKOVIC INTERVIEWED ON EVE OF PLENUM

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 12 Apr 87 pp 13-15

[Interview with Milenko Markovic, member of the Presidium of the Serbian LC Central Committee, by Stevan Niksic: "What We Are 'For' and What We Are 'Against'"; date and place not given]

[Text] The immediate, but not the only, occasion for an interview with Milenko Markovic, member of the Presidium of the Serbian LC Central Committee, was the preparations for what has been called the plenum on ideology which is to be held in the days to come by the Serbian LC Central Committee (the same topic has been put on their own respective agendas by all the other central and provincial committees in the republics and provinces), and the same kind of meeting which has been announced for the LCY Central Committee, which is expected in late April.

As an intellectual, a scholar, and distinguished journalist Milenko Markovic is a well-known name to the domestic political public; he has made himself known and committed himself precisely concerning the topics on which today he has an occasion to express himself from a somewhat different (personal) position, as the official "commissioned" and "responsible" for problems of ideology.

We noted at the outset that in the League of Communists the rule on various occasions has been to assert that "we have clear commitments and positions as to principle," which is immediately followed by the assessment that "activity has not been sufficiently aggressive": great effort is invested, but the results are still insufficient.

[Question] Why is this situation changing so slowly?

[Answer] If the causes of that state of affairs in society today which you speak about, a state of affairs which no one can be altogether satisfied with, do not lie in the programmatic commitments and the positions taken in congresses, and it is obvious that they do not--there is at least no dispute over that--then they quite certainly need to be sought somewhere else. Above all in the interests of those within the League of Communists and outside it who do not favor changes, in the shortcomings and limitations of the ideological action of the progressive forces.

[Question] Isn't this explanation, which incidentally is the standard one that one often hears, just a bit too vague; what do you really mean when you say "differing interests" and "shortcomings of the ideological action"?

[Answer] Well, if you want to be more precise, I am referring to a kind of renewal of ideological perplexities, vacillations, and indeed even disagreements over important issues essential to the system which are crucial to achieving our strategic goals and commitments and on which the 13th LCY Congress adopted clear positions.

This means that we still do not have that degree of unity in the LCY nor are our subjective forces--and this is presumably related--sufficiently well organized and effective, to the degree required by the gravity of the situation we confront. The consequence is logical in a way: resolution of the key social problems is going slowly. And all the antisocialist, especially the nationalistic, forces are "feeding" on this.

What Is the "Positive Program"

These are all reasons which strengthen us in our conviction that the only correct and incidentally the only possible way to get out of the present crisis is to consistently follow the course of the further development of socialist self-management democracy, full ethnic equality, and something which in my opinion is just as essential, a stronger breakthrough for new knowledge and modern technology. Only in this way can we preserve the country's prestige with independent socialist development.

[Question] Recently there has been more frequent talk about a "positive program for emerging from the crisis." What does that mean to you?

[Answer] I would first like to present my personal belief that our destiny depends for many reasons on whether and to what extent those changes in the economic and political system are made in real life which will make it possible to achieve self-management integration of Yugoslav society, and that on the basis of the interests of a unified working class and overcoming political and economic voluntarism. In any case, the heart of the "positive program," in my opinion, is made up of the Long-Range Economic Stabilization Program, changes in the political system, and amendments of the Constitution and the Law on Associated Labor. Likewise more profound democratization of the League of Communists itself, its opening up more strongly and broadly to the requirements and influence of its own base, the working class, and the entire socialist public, represent one of the essential conditions for carrying out that program. However, it is essential that the League of Communists, in addition to that positive program for emerging from the crisis, also have a clear line of demarcation from ideological and political opponents, those who today are offering the multiparty system, what are referred to as national programs, and other solutions from positions of nationalism and similar platforms opposed to the policy of the LCY.

In other words, what I mean is that the fight against opponents is not and cannot be an end in itself: The program "for" and the fight "against" must

make up a single whole. Those two things cannot be set in opposition, nor can one be allowed to "suspend" the other.

[Question] One gets the impression that what you are talking about is not always happily "coordinated" at the present time: It sometimes seems that much more attention is being paid to ideological opponents and enemies of socialism in Yugoslavia than they objectively deserve, and sometimes in turn that they are too carelessly left "a vacuum" in which they understandably insert themselves, and it turns out that the League of Communists is sometimes itself aiding its own enemies.

[Answer] Yes, that is unfortunately true. That is why I emphasize that the emphasis in the entire activity of the League of Communists must be on that program "for" in all domains of the life of society. Only then will the fight against the antisocialist forces also be effective.

Since we find ourselves on the terrain of politics, when I speak about this I also have in mind the real balance of power in Yugoslav society. And the balance of power is such that the democratic and socially committed forces have a clear and indubitable majority. And there is no dispute at all which and what kind of changes those forces desire and what it is that they do not desire at this point. They simply do not desire changes that would jeopardize the basic achievements of the socialist revolution, which would take us backward toward state socialism or a renewal of capitalist society, i.e., a return to private ownership; they seek changes which will pull us out of the crisis by strengthening socialist self-management.

What Sort of Changes

[Question] You mention "ideological perplexities" as an obstacle met by the political action to carry out the "positive program." A large portion of those perplexities are related to the conception of the role of commodity production and of the market in socialism, and it arises within the League of Communists itself. Why?

[Answer] Although as a socialist society we have opened up to commodity production a long time ago, in fact before all of those who once were attacking us for it and are now doing it themselves, and although clear positions have been taken on this issue in the LCY Program and the decisions of the 13th LCY Congress, it is a fact that we still face ideological disputations as to how commodity production, the market, and self-management are interdependent and linked to one another. I would say that a tax on the market because of its alleged anarchical nature deliberately overlooks the entirety of our concept of a planned market economy and is aimed at disguising the bureaucratic spontaneity of polycentric statism.

Accordingly, I simply do not see why, since the 13th Congress has taken clear positions on this, we should now get into sterile doctrinal battles of wits with ideologues of antimarket orientation who are allegedly "rescuing" socialism in Yugoslavia from a restoration of capitalism. It would be smarter for us to concentrate all of our forces on negotiating the change of direction toward carrying out the Long-Range Program..., and that means toward

overcoming bureaucratic-voluntaristic practice in economic development. After all, see where this has brought us: investment and other economic irrationalities, the country's large debts, galloping inflation, and impoverishment both of the working class and of the society as a whole. What I mean by this is that the changes I favor, and I am not alone, cannot be reduced to some doctrinaire question of corrections of this kind or that kind; what we need above all today is a break with illusions which, if I might so put it, have been "systemic in nature" and have contributed to depriving self-management of any kind of adequate material basis.

[Question] Similar perplexities as to principle which have practical implications concern the current disputes about social ownership. Does it not seem to you that the conflict between statism and self-management is also manifested in a specific form through this?

[Answer] There is no doubt that the question of the compatibility between social ownership, which by its nature lacks an owner, and commodity production is not just a major theoretical issue. Today the main ideological disputes over the line of development of socialist self-management are truly refracted in this.

However, today we do not need doctrinal debates on that topic; we are concentrating on the urgent political task of carrying out the stabilization program because it contains the solutions which protect social ownership.

In any case, to answer the key question: Who disposes of the income and to what extent the statist method of appropriation and disposition of social resources is involved cannot be evaded, nor the fact that our republic, SR Serbia, drains off the highest percentage of resources from associated labor on the basis of mandatory pooling or through various other legal obligations.

[Question] What you are saying is a typical example of domestic everyday life: on the one hand there stand the fine and democratic principles, while on the other an altogether different practical behavior. How can that pattern of behavior be overcome?

[Answer] The key to a solution for displacing statism is to be found, I am convinced, in the removal of its economic, and perhaps still more decisively, its political power, which is manifested at all levels in the tandem between party and government organs, which up to now has not been overcome. That is why the changes in the political system, above all in the Constitution and the Law on Associated Labor, are most directly related to preventing the practice of decisions being made regardless of economic criteria or the available income, in informal political centers, and without the essential consent of associated labor through self-management.

So now: if that fight is to be successful, the transition has to be made from the level of a general commitment to more difficult terrain, to the plane of the concrete fight against statism. I am, of course, aware that this is not easy, just as it is clear to me that fundamental positions concerning statism do not disturb the bureaucracy at all, that it has already become skillful enough in offering verbal support to the social commitment against statism.

Nationalists Against Yugoslavia

[Question] While other debates are being conducted in the League of Communists, including those which you have referred to as "futile theoretical battles of wits," strikes have become more frequent. Isn't this a kind of "contribution" to the current debate about the ideological situation in Yugoslav society?

[Answer] We in the League of Communists have not really examined and elucidated the political-ideological aspect of that phenomenon, whose causes are complex. I think that the League of Communists has a duty to critically examine its own responsibility in all workplaces where a work stoppage occurs.

In any case work stoppages also call attention to unwholesome situations and conditions where it is indispensable for the League of Communists, the trade unions, and other social factors to become involved in good time.

[Question] Self-management, right along with the policy of ethnic equality and the federal system of Yugoslavia, is often being attacked by a kind of "coalition" of forces which seem to come from different political directions. How would you explain that phenomenon?

[Answer] To some people it might really seem illogical on the surface for there to be an alliance between the desire for bureaucratic tyranny and the desire for bourgeois democracy. But everything will be much clearer if we turn a bit more attention to what in our context usually links these apparently incompatible platforms to one another: this is always nationalism. Under our historical conditions nationalism has always carried with it a spirit of division and exclusiveness.

In the processes of economic, political, and cultural exclusiveness, which have been our reality now for years, nationalism has become the "natural" ideology of the bureaucracy, with whose help it tries to preserve and strengthen its political power. Ultimately this explains why nationalism occurs as a platform for rallying the antisocialist and antiself-management forces and why the LCY must base its revolutionary action on resolutely overcoming both its historical and also its present-day roots.

Two Lines

There are cases now when all the forces which are opposed to the League of Communists, making malicious use of the real social problems and taking advantage of the democratic climate that has been created, have made the transition from past attempts to merely "launch" their ideas into political action. Thus various forms of better-organized oppositionist activity have come into being. Judging from the projects being offered, it is quite clear that what brings them all together is a nationalism of manifestly anti-Yugoslav orientation. Just look at what is identical in the so-called national programs such as are being presented in the so-called Memorandum or NOVA REVIJA: They unambiguously advocate ideas which see the future for their

own nationality outside Yugoslavia as a federal community of equal nationalities and ethnic minorities.

And another essential characteristic of these nationalistic programs lies in the advocacy to change the revolutionary protagonist of society, in that they do not see the working class as the leading force of the nationality, but rather the intellectual elite. On this basis the statist solutions for getting out of the crisis are either renewed, or theories are developed about political pluralism and a multiparty system as the only alternative to a democratic ordering of society. Stated simply, all these so-called national programs in their class essence unite in themselves the orientation against self-management and socialism with chauvinism and separatistic concepts of rearranging Yugoslavia.

[Question] What you are talking about now is not some altogether new and unknown situation for Serbian Communists, isn't that right?

[Answer] Certainly not. That is why the well-known position of the revolutionary movement of Serbia concerning the conflicting nature of the two political lines in Serbian history is fully relevant for us today: the one line which comes down from Garasanin's "Nachertaniye" [Outline] through the Serbian Culture Club and the Ravna Gora movement up to the present-day Serbian nationalists, and the other which comes down from Svetozar Markovic, through Dimitrije Tucovic and the working class struggle at the beginning of the century to the League of Communists of Yugoslavia and the League of Communists of Serbia, that line which has been given its historical realization in the socialist revolution and the equal position of the Serbian nationality in the Yugoslav Federation. In that respect we have had and will have a clear line of demarcation.

At the same time, precisely in the interest of a clearer line of demarcation from ideological and political opponents, it is indispensable that we be quicker to remove the things which are not clear, the dilemmas, and the one-sided approaches to the problems of nationality within the League of Communists itself, things which have been manifested in certain political peechmaking as well as in scholarly debates.

[Question] Which is to say?

[Answer] Which is to say that we still have not made a sufficient distinction between the ethnic and the nationalistic, between the governmental and the statist. We are not clearly separating independence and autarky on the one hand, nor unity and bureaucratic centralism and unitarism on the other.

National Nihilism

[Question] In the recent past that kind of confusion (if we can speak only of confusion) seems to have been heated up in connection with the constitutional amendments that have been initiated; demands for strengthening self-management integration and cohesion are sometimes met with suspicion, and at the same

time it is said that they have to do with centralism and unitarism. How do you interpret this?

[Answer] It really is true that the proposals and initiatives motivated by a desire to achieve greater unity and community in the country and indeed also in SR Serbia are sometimes referred to as pleas for centralism and unitarism. Just as the concepts of the ethnic and the nationalistic are confused, so on the other side no clear distinction is made between unity and community on the foundations of self-management, on the one side, and unitarism on the other. That is why we must be altogether clear whenever we talk about unity or, say, Yugoslavism. After all, ethnic nihilism cannot be a good ally in the fight against statist nationalism, exclusiveness, and division. Likewise, we must be altogether clear so that any vanguardism or, the advocacy of special responsibility of any particular nationality for the fate of Yugoslavia and its federalism, is displaced throughout what is Yugoslavia. Yugoslavia is and will be united insofar as all the nationalities and ethnic minorities in it feel free, feel that they are at home and that it is equally necessary to them all.

[Question] And finally comes the most important question: Is the League of Communists capable today of winning the fight to carry out that "positive program" you have been talking about?

[Answer] Everything we have been talking about is, of course, most intimately bound up with the indispensable need for more rapid internal transformation of the League of Communists. The LCY cannot fight effectively for socialist self-management democracy if there still exist points of support for dogmatic consciousness within it, in its basic organizations, and in its bodies of leadership.

I am aware, then, that the possibility of emerging from the crisis depends to a large degree on how ready the League of Communists is to undergo change. I am referring, of course, to those changes which are on the strategic line of operating from within to strengthen the bonds of the League of Communists with the working class and society, and then to develop its critical attitude toward the government and government power, to make it possible for the party rank and file to have a greater influence, to strengthen its ability to pursue the immediate and historic interests of the working class and the working people through democratic synthesis of differing opinions.

7045

CSO: 2800/193

SHORTCOMINGS OF LABOR LEGISLATION HIGHLIGHTED

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 12 Apr 87 pp 9-10

[Article by Petar Ignja: "Amendments to the Law on Associated Labor: More Than a Law"]

[Text] It is a highly developed feature of our mentality that some things we either overemphasize or underplay. In this specific case we are talking about the Law on Associated Labor (the worker constitution--as we affectionately referred to it at the end of the seventies) and its amendments, which are now here on the threshold. On this, as on certain other similar occasions, differing opinions have been expressed, running from one extreme to another: some have said that nothing should be changed in the law, the law is good as a whole, and it needs only to be consistently enforced; others have even expressed the opinion that the Law on Associated Labor is not necessary at all, and so as to appear more convincing, they attribute to it the blame for regionalization of the economy, autarky, atomization of resources, and the crisis of self-management....

When there are two questions, there can also be two answers. No law, no written word, can be considered good until reality has confirmed it and assimilated it. It is easier to change a law than people, and there is a greater opportunity. As for the opinion that the Law on Associated Labor [ZUR] is superfluous and "to blame" for our twists and turns, it is sufficient to look at the origin of those opinions for the answer to be imposed on you automatically. To be clearer, it is sufficient to emphasize that those opinions do not come from the ranks of the workers.

Accordingly, amendments in the ZUR have been very necessary, and the editorial committee responsible for amending it has been resolutely rejecting any thought that it is more a question of cosmetic than real changes. Fine, time will tell--and especially the public debate within associated labor--whether the proposed changes are sufficient and to what extent they will win the workers over. Any expression of judgments before that has taken place, regardless of where such assessments come from, might easily put things in black-and-white terms, like the flight of the bumblebee in a vacuum.

Other People's Praiseworthy Ideas

Let us say at the outset that it is quite certain that the amendments and supplements to the law will take place in two phases: the first began in September 1985 and is not yet over, and the second will begin after the amendments and supplements to the Yugoslav Constitution.

The most important amendments and supplements, we have learned firsthand from people who are directly involved in this effort, have to do with self-employment (small business), since the constitutional principle is being affirmed that the working people can freely carry on professional activity. Moreover, in all those cases which have not been prohibited by law! Why the exclamation point? Because it has been customary in our legislative practice to adopt solutions in which it can be concluded that it is possible to engage in small business when the law so allows.

There is also a proposal for use of resources of private individuals (through the cottage industry) directly or in collaboration with organizations of associated labor or other self-managed organizations and communities. Provision has been made to use the supplemental work of members of the family household. Although this is not our own idea, it is praiseworthy. We remind the reader that Switzerland was a poor country 100 years ago. Then they began to make timepieces. The whole world bought those Swiss timepieces, and the factories--as the man in the street would put it--could not catch up.

What is changing in associated labor?

The Law on Associated Labor proclaimed the self-management integration of work and resources, but that symbiosis has not yielded any results worth counting on the principles of joint income. Relations have been set up partially and successively, but the most essential questions (participation in the income realized, in gross income, risk-taking...) have been regulated inappropriately or not at all. That is why it is being proposed today that these relations be regulated by a self-management accord and that that self-management accord, if it does not contain the essential legal elements, would be null and void. Invalid.

Innovations Concerning Income

There is no doubt that the division of income is the key issue in the Law on Associated Labor. But what has been the case up to now? The worker constitution has in its provisions provided that out of the income of the basic organizations of associated labor enough money is set aside to meet the needs of government and social services, however much all of them need, and what is left goes to the workers. This was taken even to the detriment of the personal incomes of the workers, and indeed even to the detriment of the production capability of work organizations.

The people working on the changes in the law say that an important solution which is now being proposed is for the income of the basic organization to be divided among the following: that portion of income which is the result of

work under exceptionally favorable natural conditions or results from other exceptionally favorable circumstances; that portion of income which the basic organization has realized on the basis of a development premium; the portion of income for obligations charged to the income of the basic organization, whose level does not depend on the size of income realized, and that portion of income which consists of the net income of the basic organization. There is something new here in that the solution being proposed calls for that basic organization which in a quarterly or year-end statement falls short and does not have money to meet all of its obligations to society would adjust those obligations to the amount of income earned.

Finally, a few words about responsibilities.

The thesis that Yugoslav professional managers probably have the hardest job in the world has been smoldering in the public for quite some time now. Supposedly they only bear high responsibility, but they have no rights. Although the statistics do not confirm this hypothesis (they indicate the opposite: no one can remember when a director was disciplined, although it is they who usually talk about the rights of the workers), this opinion has become widespread and has come to be given weight. Idleness, poor discipline, and similar unwelcome things are nevertheless associated with the workers, the producers. It has come to be the prevailing opinion that disciplinary commissions have not so far fought effectively against idleness, poor discipline, and all other cases of negligence. The members of disciplinary commissions are workers, and those who are not workers have often seen this permissiveness as working class solidarity. It is now being proposed that professional management be given greater authority in relations with operatives (a term which is being used ever more frequently referring to members of the working class). It is a question of the right of the professional manager or worker with special authority to be able to decide on temporary assignment of workers to other jobs, overtime, approval of paid leave, pronouncement of measures for minor breaches of work duties, suspension from work....

Directors

Up to now directors have not had these powers.

Aware of what is being concealed "on the other side of the hill," Dr Jovan Muncan, head of the editorial commission for amending the ZUR, told this journalist that in view of his doubts about the validity of this proposal he will insist that everything proposed in this connection be precisely defined.

"A real director, I believe, will never resort to such measures," Dr Muncan said.

It is also interesting to hear the opinion of a director. We talked to Bane Sekulic, personnel director at the IMT factory in Belgrade. Sekulic said that even the Law on Associated Labor we have had up to now offered sufficient opportunities to maintain order and work and discipline. Assuming the evidence is there (but not without it), any worker can be punished for a breach he has committed. To be sure, it did take a bit longer. That is

natural. It is better to set 200 guilty men free than to send one innocent man to prison...Sekulic mentioned the wise Roman saying from that legendary law.

This is his answer to the question of whether he himself would be happy to be given that right:

"Not in the least."

One proposal for the new Law on Associated Labor certainly deserves attention: "No person could be appointed a professional manager who had previously been removed from that position before expiration of the term for which he was appointed--nor any person removed from that duty by decision of the assembly of the sociopolitical community...." If this proposal is adopted, the game of musical chairs will no longer be played.

7045

CSO: 2800/191

SERBIA'S YOUTH PAPER QUESTIONS SENTENCING OF PARAGA

Belgrade NOVE OMLADINSKE NOVINE in Serbo-Croatian 10 May 87 p 8

[Commentary by Sasa Vucinic: "Tongue Under Lock and Key"]

[Text] Dobroslov Paraga, who was sentenced to 4 years in prison in 1981 for the crime of hostile activity, was sentenced again recently by the opstina court in Zagreb, this time to a suspended 6 months to 3 years, plus the security measure of a ban on public statements for 3 years.

The sin for which Paraga "merited" his punishment is defined as follows: In interviews for MLADINA and in a letter to NOVA REVIJA, he "untruthfully described how suspects for political crimes in Yugoslavia are unlawfully treated." These texts "suggest untruthfully to readers that the State Security Service, in conjunction with judicial agencies, operates in violation of regulations, employing methods of threat and pressure with the aim of extorting suspects' confessions and evidence of their criminal liability." Paraga also "untruthfully portrayed the situation in reformatories, claiming that basic human rights are being violated therein." Paraga, as a former "political prisoner," clearly cannot be reproached for lacking knowledge of his subject.

No matter how strong our faith in the Zagreb court, we cannot but reflect on the ban on public statements. This measure, envisaged by the criminal code, forbids a sentenced person to speak via the press, radio, television, or public gatherings. This penalty is imposed if the perpetrator has abused any form of public statement to commit a criminal act or if the assumption is justified that his continuing public statements could be dangerous.

To lament the constitutionally guaranteed freedoms and rights of citizens, especially the right to express an opinion freely, would be senseless at this point. What is stranger to us is something else: since the war, in the last 4 decades, this penalty has been imposed only on Ffilas, Tudjman, and Ignjatovic. So Paraga is just the fourth on the list of persons whose right to speak has been taken away by law.

It is logical for some of the much "louder" and "throatier" critics of our system not to have "merited" this punishment? Why would Paraga's continued

public speaking be so dangerous for the rule of the working class? Perhaps because he "bumped into" rather discomfoting area--political crimes and human rights?

Obviously, Paraga has now been sentenced for what he told about his first trial. Did someone fear that Paraga would talk about his second in the same way?

/6662

CSO: 2800/229

BORDER TROOP EFFECTIVENESS ASSESSED

Bonn HEER in German Mar 87 pp 8-10

[Article by Joachim Lapp: "Frontline Duty in Germany? GDR Border Troops"]

[Text] The only German soldiers who—by law and according to both the regulations governing use of firearms and the orders of their superiors—have to shoot at human beings even in peacetime are the members of the "Grenztruppen der DDR" (GT) [Border Troops of the GDR]. More than 200 persons—the actual figures are probably much higher—have been killed along the borders in Germany since the GT's founding on 1 December 1946, with 185 deaths recorded just since 13 August 1961. And hundreds have been wounded by the GT's use of firearms. Thousands have been arrested for trying to leave the GDR "illegally" (and sentenced to prison sentences!)

SED and GDR authorities designate border duty as "frontline service" or "combat duty in peacetime" because of the GT's deployment along the "dividing line between socialism and imperialism," because it is face to face with the "enemy of the working class," and especially because of its obligation to fire, if necessary, upon citizens who want to get from the East to the West.

Some 50,000 GT soldiers are presently performing this duty, about half of whom are draftees. They are subordinate to the lieutenant general who is simultaneously one of the GDR deputy ministers of defense. At the beginning of the 1970's, the GT was taken out of the NVA [National People's Army] and, since that time, it constitutes an independent entity of the armed forces of the GDR. The GDR's GT are directed from a headquarters (Kommando) located in Paetz bei Koenigswusterhausen [South of Berlin]. This GT Headquarters (Kommando der GT) commands (territorial) "Border Headquarters" (Grenzkommandos) in Berlin-Karlhorst (Central: GK Mitte), Stendal (North: GK Nord), and Erfurt (South: GK Sued). The three Border Headquarters each consist of 3-6 border regiments as well as 2 training regiments (with 1,200-1,400 soldiers per regiment). These troop units are stationed in the Berlin area and along the common FRG-GDR border.

The borders with Poland and the CSSR are weakly guarded by GT units, altogether 2 independent border regiments.

Closing off of the sea border is the responsibility of the Coastal Border Brigade (Grenzbrigade Kueste), which was under the People's Army Headquarters of the NVA until 1985 and which is now again directed from the GT Headquarters in Paetz.

One GDR BT regiment is responsible for the Security of a 130-160-kilometer sector of the common FRG-GDR border. It is broken down into three border battalions, each of which guards a 65-80-kilometer-long border strip. Such a battalion has at its disposal four companies (100-120 soldiers each), each of which has to guard a sector of 17-20 kilometers in length.

Beginning in September 1983, they introduced--after rather long testing since 1980--a new organizational structure along the common FRG-GDR Border, i.e. in GT areas North and South. Main goals: abandonment of "linear border security," switchover totally to an in-depth, up-to-5-kilometer-wide border area (hinterland security); arrest of border area violators before they reach the barriers directly on the Western border; more economical deployment of BT soldiers within the framework of a "company" approach to border security. With this 1980 organizational structure (Struktur 80), principally the personal responsibility of individual companies should be increased. From now on, only 2 battalions of a regiment will be assigned to direct border duty; the third battalion will be in reserve and will serve mainly as hinterland security.

With the reorganization of the GT along the common FRG-GDR border, the border companies received--instead of their fourth platoon--a "border" reconnaissance platoon" with 15 warrant officers slots, under the command of an officer. These "border scouts" have, in the GDR border security system, special assignments to carry out, which are to be discussed in more detail.

After elimination of self-triggering devices by the end of November 1984 and after removal of the last land mines at the beginning of November 1985, SED and GT leaders were forced to continue to perfect the new system of border security.

This was accomplished technically through installation along the entire common FRG-GDR border of a frequently modified border and signal fence which, upon being touched, sounds an alarm in the headquarters of the border company. Alert units have the mission of apprehending the border area violator. However, no longer is a border area violator supposed to reach this fence, which is in the security zone and located only a few hundred meters from the border.

In order to prevent this, the GT leadership has worked out plans and service regulations which resulted from decades of experience by the GDR border security forces.

First to be mentioned in this connection is the "movement of border area violators": an "analysis chart of border area violator movement" for the last 10 years, which is kept in every company and which gives information

as to where "border penetrations" or such attempts are to be expected. Every company commander is familiar with these data and, based upon them, he is expected to concentrate his men and equipment in those areas where border area violations are most probable.

Within the framework of "normal border security" (there are also "reinforced" and "battle-ready"), the commander of a border company--in coordination with his battalion commander--must both plan and establish "directions for primary effort" for the deployment of his forces, as well as special "peak periods" for their deployment. In other words, reinforced GT elements on border duty are stationed at those critical points which were "takeoff points" for border area violators in the past.

Deployment of forces in the border area and along the border has to be accomplished at the "right time": this time is primarily at night.

The border-guarding units of the GT are supported by the People's Police in the border area, by their volunteer helpers, and by the GT's own "volunteer helpers of the GDR's GT."

The appropriate service regulations of the GT also expressly state that the GT companies can rely upon the "forces of collaboration" and of "Cooperation": the state, community, and social offices; parts of the border population; shops and institutions of all types.

At the center of this "cooperation" stands only one goal: the apprehension of border area violators, the prevention of "border penetrations" from East to West.

The citizens in the border area are required to report every irregularity in daily life, especially strangers in border-area localities. Tests are made to determine whether the border population is, in the mind of the regime, trustworthy: GT members in civilian clothes appear in the border area to determine the watchfulness of the residents.

The "border scouts" have to carry out special missions, which exist in every border company today. They are distributed among the populated areas in the border area, and they begin their missions from their private apartments, in civilian clothes as well. Border scouts perform "personal work with the population of the border area."

Among their assignments are:

a. To gather information about those persons who are preparing to cross the border illegally,

--who are in the border area without authorization,

--who are endangering security and order in the border area;

b. To reconnoiter

--the approach paths, possible hiding places, takeoff points and whereabouts of border area violators,

--the passability of terrain sectors under the widest variety of conditions related to time of day and season of the year;

c. To investigate signs of a border penetration.

Today's in-depth deployment of the GT, the work of the border scouts, the support by the People's Police and their volunteer helpers, the activity of the GT's own 3,000 helpers, and the informant work by citizens in the GDR border area hardly allow a "border penetration" to occur--some 90 percent of all border area violators do not reach the West, most of them are captured before they reach even the cleared zone.

And, if the border area violator actually reaches the cleared zone, he is stopped by the alerted border guard, by gunfire if necessary. As they go to their posts, these border guards are still given the mission ("Keep them fenced in."):

"They are assigned to a sector...with the mission of tracking down border area violators, to capture them or to kill them."

Section 27 of the GDR border law of 25 March 1982, the GT regulations concerning the use of firearms, and this "Keep them fenced in." concept all have in mind that the border guard must use his weapon against border area violators. We designate this as "the order to shoot."

Lt Col Dietmar Mann, the commander of a GT battalion on the common FRG-GDR border, who defected to the West on 31 August 1986, who brought with him most of the information given here, and who lent it to the author of this article (from this is being created the joint second edition of the book "Frontline Duty In Peacetime - The Border Troops of the GDR"), has also informed us that the order to shoot was suspended from time to time--at those times, for example, when important political events were taking place in Germany (such as parliamentary elections). This suspension was reportedly passed on verbally to the border guards.

This apparently happened several times during 1986.

This was probably the reason why there was an increase in the previous year in the number of "barrier breakers" or persons from the GDR who crossed the border under danger to life and limb. There were also 18 GT members among the refugees. Since 1961, a total of more than 2,500 members of the GDR armed forces have come to the West, the greatest majority of them GT soldiers. And new uniformed "barrier breakers" keep coming to us.

That raises the question of the political reliability of the GT soldiers. Can the official GDR--the party and military leadership--rely upon the members of the GT? That is apparently not the case, because GT members

are subjected to a penetrating, very intensive program of internal surveillance using informants by personnel from the "Ministry for State Security" (MfS).

Dietmar Mann, a GT Lt Col and himself under obligation to the MfS for 12 years, has given detailed information which gives evidence of the deep mistrust by the SED leadership of their own guards.

The Party and GT authorities came up with the idea, not just to keep all military grade groups under surveillance and to have their verbal comments monitored by "unofficial employees" of the MfS, but they also feel it necessary to divide all GT soldiers into political reliability categories. On the basis of "Order 44/83," the company commanders, the political officers, and the MfS officers in the GT have to do personality assessments and to sort GT members into security groups according to degree of reliability. The order itself is "secret classified material" and its contents are not known to the common GT soldier; however, its existence has not remained hidden from the border guards: they designate the security rankings as "blood types."

The "personnel analysis" first differentiates according to major reliability groups:

1. The core: absolutely reliable personnel;
2. The reserve: development tendency toward either the positive or the negative;
3. The remainder: unreliable personnel.

According to Order 44/83, an additional breakdown is to be made, through which differentiation is made among the following categories:

Category A: Unlimited deployment up to the border itself (even outside of the forward barrier):

Category B: Deployment limitations;

Category C: Under direct command;

Category D: No/limited assignment to border security duties.

In practice, these are broken down further, for example:

Category A 1: Not totally reliable;

Category B 1: Tendency toward the negative.

Once a month (during the last week)--in the presence of the MfS officer--the company commander must report to his battalion commander the "conclusions drawn from the personnel analysis." Afterwards, the

battalion commander and the counterintelligence officer from the MfG must certify the findings related to individual GT members which, among other things, are entered into a "border service book." In this way, three officers always carry the responsibility for the deployment of border guards. The daily assignment of guards for security of the national border is based upon this knowledge. The company commander operates in the following way:

Category A: Can be assigned for duty with any GT company member;

Category B: Can be assigned only with A, but not with B 1;

Category D: Can be assigned only with selected A personnel, who are listed separately;

Category A 1 can be assigned with A or B, but not with B 1 or D;

Category B 1 can be assigned only with A personnel.

Every guard roster in a border security unit is made up according to these criteria. The personality assessment for individual GT soldiers results from all of the information known to his superiors. At battalion level, 2 fulltime MfS employees take care of surveillance of the troops. Under their direction, there are "unofficial employees" (IM) of the MfS working in the border companies, whose mission it is to spy upon all ranks.

The IM determine how morale is in the company, who makes negative political comments, who might have intentions to defect. They report the results of these investigations to their assigned officers through personal covert meetings, in writing, or by telephone. Every GT soldier must assume that his conversations with comrades will be reported by an IM to the MfS or to its "Organization 2000"--as the "Military Counterintelligence" in the NVA and the BT is called. Based upon even slight indications of a possible intention to defect, the MfS counterintelligence officers arrange for the suspected persons' removal from border security units. As many as 20 GT soldiers per border battalion are transferred annually for "security reasons" to either rear area units or the borders with Poland and the CSSR. The work of the IM in GT training units has the further result that unreliable GT members are not even assigned to border security companies.

In his everyday life, the GT soldier is not only subjected to the investigations by the IM (there are dozens of these active in each border battalion!), but their offduty time and their vacation (only 18 days in 18 months for draftees) are strictly regulated. They are forbidden to maintain contacts with the West and to listen to Western media. Upon returning to duty from vacation, they must have so-called vacation talks with superiors, which talks are supposed to give information as to whether contacts with the West took place during this time. Also during these talks, it is supposed to be determined whether the particular border guard perhaps has problems with his wife or his girl friend. If that is the case, then he will not initially be assigned directly on the border.

In addition, mail and telephone censorship is common in the GT, which is initiated by the MfS officers. The control mechanisms for the GT soldiers are supplemented by a very tight control by the SED party organization, especially through "party control commissions" which watch over the unity and purity of Marxist-Leninist teachings. Political organs or political officers in the BT units and SED party organizations occupy the GT soldiers with a large number of events which serve mainly for political indoctrination. Both military lay judges in the GT and the military judge advocate staff "observe" the soldiers.

All in all, GT members are subjected to constant, intensive surveillance: Daily, their superiors, the party, and the state security express their distrust. Camaraderie can hardly develop in such an atmosphere; at best, this exists occasionally between those of the same rank. Each one must fear the other; no one is sure that his neighbor is not an MfS informant.

Political surveillance through informants; the extreme overabundance of political training, which is furthermore very boring; lack of camaraderie between subordinates and superiors (officially: "class brothers!"); duty stations far from home; insufficient off-duty activities in isolated garrisons; and little contact between the draftee and the border population--all these lead to sullenness and passive modes of behavior among the great majority of the border guards. Superiors are worriedly noting increasing disciplinary problems under the influence of alcohol. In a single sentence: The internal atmosphere in the GT companies is not the way it should be; the tight surveillance has a counterproductive effect and, as a result, leads to loss of motivation. Further; Daily border duty is far from being as exciting as it is described in the border guard literature. And the "enemy of the working class" is not so dangerous as many superiors would have him be.

Elitist behavior (in the 1960's, the GT was considered an "elite guard" of the NVA), militant empty talk (GDR border duty is frontline service in peacetime), as well as the contrary-to-human-rights practice of giving the order to shoot along the borders in Germany--these make an anachronistic impression in a time which is aimed at peace and good neighborliness.

13275/9190

CSO: 2300/259

CPCZ JOURNAL ADMITS FAILURE OF SET OF MEASURES

Prague TRIBUNA in Czech No 15, 1987 p 18

[Article by Prof Eng Oldrich Truhlar, CSs., Institute of Marxism-Leninism, Charles University]

[Text] The terminology of the Set of Measures for the Improvement of Planned Management of the National Economy is gradually disappearing from the economic vocabulary and deliberations about following the strategy of accelerating the economic development of Czechoslovakia during the Eighth 5-Year Plan and the outlook up to the year 1000. Its place is being taken by the terminology of the restructuring of the economic mechanism and corresponding economic units. The socio-economic results of the economy achieved on the basis of the Set of Measures did not lead to the expected turn around in intensification and overall increase of efficiency of the national economy, even though that was the goal.

This lack of success stemmed, among other things, from the fact that the Set of Measures retained, almost without any changes, all the precepts of planning and management which it contained since its inception, including all the institutional linkages. It followed the entrenched administrative ways of resolving socioeconomic problems. Improvement thus consisted only of a partial modification of the instruments for influencing the economy, indicators, criteria for evaluating enterprises, etc. An undemanding economic climate with an emphasis on the expansive elements of growth did not change at all. Things were not helped much either by the growing political activities in organizational matters, nor by moralizing exhortations to the "captains" of Czechoslovak industry of all levels to focus their attention on the priorities of quality and efficiency. As if we did not know that in economy nice words and moralizing about the responsibility for doing what is in the national interest has never been of any use. As long as the environment and objective conditions of the economy do not force the economic entities to adhere to such goals but permit them to circumvent and alter them, we shall never attain positive results. The principles of planning and managing the economy that have been followed until now have allowed the key tasks of increasing the efficiency of the economy to be circumvented, and have actually subsidized its expansiveness.

The restructuring of the economic mechanism together with the necessary structural changes is, therefore, the most important part of placing

socialist planning and development of the economy on a new level. If it is not to remain just so much talk, only a new designation, if it is to change the economic behavior of all the participants in the economic life, it will be advisable and necessary to:

- a) newly strengthen the functional role of central management and planning.
- b) stop perpetuating and following those elements of management, instruments, stimulation, and decision making power which hitherto have been creating an undemanding and ineffective environment and led to inefficient results.

The principles of restructuring the economic mechanism in the CSSR, approved by the presidium of the Central Committee of the Czechoslovak Communist party and the CSSR Government, state (among other things) on the subject of strengthening the function of central management: "Streamline the relationship between the center and the organizations with the aim of achieving closer mutual cooperation and strengthen the linkage of enterprise interests with those of society." One of the tasks is also the necessity to give priority to directing the activities of the central agencies toward a sharp restriction of operational and administrative management at the level of the central agencies, with the aim of creating space for conceptual work at the center, strengthening economical methods of management, and increasing the responsibilities and authority of the organizations."

Thus, in restructuring the economic mechanism, it will be necessary to create a new climate of institutional authority, instruments, economic management, and stimulation. That should make it impossible to maintain the practices of wasteful management, such as, for example, the excessive and disproportionately time-consuming construction of capacities, production of above-norm inventories and unsaleable goods, excessive material costs of production, or dicker about indicators of the plan which often uses up the energy needed for rational management. The new climate has to induce the economic management as well as the individual workers to use relatively new sources of growth and efficiency--research and development, technology, and strict work organization.

It will not be a simple matter to carry out this task. There are already difficulties in working out the conceptual principles and basic idea of restructuring the economic mechanism. What is missing is a long term, thoughtful preparation, scientific as well as practical analyses, which would lay the foundation for the concepts and, by presenting opposing views, dissertate the actual substance of the restructuring and the procedures for realizing it. Partial experiments in a few enterprises are educational, to be sure, but they are one-sided. However, this handicap can be overcome by opponency discussions of the principles and a dialogue between theory and practice. Directives for restructuring the economic mechanism do, after all, assume such a procedure. To my mind, opinions, suggestions and direct input should come particularly from the enterprises, because they will carry on their shoulders most of the consequence of these changes.

In connection with the restructuring of the economic mechanism, not only in the CSSR but also, for example, in the USSR, we often hear talk about the

requirement to create the necessary conditions for socialist entrepreneurship proposal of a law concerning socialist enterprise in the USSR is, of course, counting on such conditions. What it means, however, is not clearly explained and, let us admit, not even theoretically resolved. We cannot be talking about some analogue of capitalistic entrepreneurship. We are familiar with theoretical and practical attempts to install thus conceived principles of entrepreneurship in the recent past. They constituted the key basis of a revisionist deformation of socialism in the form of theory and practice of market socialism in the CSSR in the years 1968-1969.

Can we then talk about entrepreneurship under socialism at all? Is it at all compatible with socialism? I am of the opinion, that to think of socialist principles of management at the level of socialist enterprises and, in an integrated form also at the society-wide level, as being entrepreneurship, and to consciously create conditions in the national mechanism which would induce economic entities to conduct their economic activities as rational principles of entrepreneurship, is not only possible, but necessary.

We have to look for a justification of this opinion in the objective conditions of the very basis of socialist economy. Its material base is the production force of large-scale production of machinery. This large-scale production base is objectively structured on the principle of the division of labor (thus of its inner law) in enterprises--basic technology manufacturing components. Their inner function, such as linking a large number of the work force with production resources for large-scale machine production of material utility values, requires an authoritative, sensible maneuvering and organization, which constitutes one of the aspects of rational management--entrepreneurship. The basic elements of such rational management are:

- a) a purposeful, authoritative management of the progress of all aspects of the economic process of an enterprise which constitute the prerequisite for achieving as high as possible measurable effects in introducing the products of the enterprise into society-wide use;
- b) ensuring a professional, expert, and organized resolution of the dynamics of an economic enterprise, to which all components of the inner structure of the enterprise have to be subject.

Looked at this way, entrepreneurship is a special utilization of a highly qualified work force, whose authority is dictated by the machinery base of the economy, and its techno-economic imperatives. A prerequisite for realizing this aspect of entrepreneurship is to have its empowered administrator (director of the enterprise) possess the economic authority to maneuver the structure of the work and the material production base of the enterprise. Such a situation, in its own way a prerogative (one's own authority does not yet exist in sufficient degree in the management of state enterprises. At the same time, this "despotism" of large-scale production, officially fostered through authorized persons, is an integral measure even for socialist production, for its internal work regimen, orderly organization of materials, rational utilization of all material and personnel requirements of the economic process. Generally speaking, therefore, the measure of how this aspect of economic authority (in the above mentioned sense) has been realized, is at the same time a measure of the realization of the activities of a socialist

enterprise, as an entrepreneur and a measure of the order and effectiveness of the material and personnel resources of an enterprise. Our economy has a large hidden capacity in this respect.

If we emphasize the professionalism and ability of the enterprise authorities (director, management of the enterprise) and their power to perform this function at the level of socialist enterprise, we are talking about those who bear responsibility for the realization of socialist entrepreneurship. That is, according to my opinion, also a timely and highly necessary criterion.

Another important aspect of the material base of a socialist large-scale production, from which stems the second characteristic aspect of entrepreneurship, is the necessity to enforce the optimization of costs and efficiency of production and of economic activity as a whole. Simply stated--the effectiveness and conditions of national production under socialism do not yet lead to such an objectivization of the volume and variety of values and services that they could be exempt, in respect to their producers--that is, individuals and enterprises, from the strict parameter of optimal labor costs.

This national imperative assumes a specific expression at the level of an enterprise, where it takes on the likeness of parameter management. Pursuing it consistently and purposefully, and realizing it, is a distinct characteristic of any entrepreneurship and its subjective bearer. In that is hidden the foundation of an independent reproduction process of every enterprise as an independent component of the economy, a weighty moment in rational management, and also a strong motivation for an economic entity. It is also a blueprint to subordinating national production forces (the objective base of large-scale production which is at the disposal of an enterprise) to the objectively measurable utilization and degree of utility. Such parametric management, which forces the enterprise authority (management of an enterprise) to scrupulously link the efficiency to the cost components of both the embodied and direct labor of the enterprise, is strengthened by the linkage of each enterprise to the rest of the economy as an economic contact (nonassigned exchange of products and activities), has the character of an act of exchange, and impacts on entrepreneurship as a verification of the utility of the products made by the enterprise, and simultaneously as a verification of objectively necessary costs (value) of their production.

12605/12951

CSO: 2400/236

BANK CREDITS FOR R&D DURING EIGHTH 5-YEAR PLAN

Prague FINANCE A UVER in Czech No 1, 1987 pp 1-6

[Article by engineer Jan Kral: "The Bank's Procedures For Extending Credit In Support Of Scientific and Technological Development During the Eighth 5-Year Plan"]

[Text] Securing the social and economic goals of our society requires the application of a long term economic concept based on high production effectiveness and quicker intensification of the development of our economy. Scientific and technological development is one of the determining factors of this development.

The conclusions of the 8th Plenum of the CC CPCZ from 1983 have contributed significantly to the accelerated application of scientific and technical results to practice. The Plenum determined the basic direction of further development and application of science and technology, followed in theme by the conclusions of the Seventeenth CPCZ Congress. It appears that the world wide trend of a rapid technological development and its projection in the economy is significantly more demanding on the application of scientific and technical development in our economy. Therefore, the 17th CPCZ Congress set goals to increase the effectiveness of management work in the area of innovative processes.

Intensification of credit procedures following the Eighth Plenum of the CC CPCZ

After the 8th Plenum of the CC CPCZ, the Czechoslovak State Bank has also reevaluated its approach and intensified the use of its monetary means for the support of scientific and technological development (RVT). The concept of the bank's work in the RVT area prior to 1983 consisted mainly in the support of the implementation phase of the innovation cycle, particularly in the area of investments. The bank focused its attention on the application of its economic means, on analytical and managing activities in the support of economic disposing of society's means, with the intention of contributing to the acceleration of innovation cycles.

Already at the time of its participation in the planning process of economic organizations, the bank devoted great attention to the results of scientific and developmental activities and it supported them by showing credit preference

for production modernization and automation. The bank adjusted its interest policy to boost these desirable tendencies by active interest procedures. Among the active elements of the interest policy of this period is particularly the advantageous low interest base and the introduction of interest differentiation. The basic interest rate was lowered for reconstruction and modernization projects and the interest differentiation fluctuated between 3 and 10 percent--depending on meeting construction deadlines and projected and attained parameters of economic gains. The bank's support, in the form of making foreign currency credit (DNU) available for imports of progressive technology and in the form of its participation in the closing of license and cooperation agreements, was significant.

After 1983, the bank's support of RVT began to focus on the entire innovation cycle, with an effort to utilize, in a more complex way, the area's credit relations, at the time represented by credit protocols. As a result, the bank widened its focus on the evaluation of RVT plans, contingent on the credit conditions of credit protocols, with the intention of actively influencing the organization's participation in the scientific and technological development and having the bank play an active role in the area of economic, i.e. enterprise RVT plans.

Since 1984, credit possibilities for the support of RVT were also extended. A bridging credit was adjusted methodically, in order to replenish the resources of the technical development fund, which received a due date extension. Furthermore, a more advantageous operation credit with a 3 percent basic interest rate, was given in addition to the credit plan and could be connected to the bank's foreign exchange means (particularly DNU). This credit was set up to make it available during the entire solution cycle (not for the entire innovation cycle--the understanding of the technical development fund at the time did not make that possible).

In the investment area, advantageous credit line was introduced (4 percent interest rate), which was to assist in an accelerated introduction of new production or in a production increase on the basis of solved tasks of the RVT plans. The credit line pertained mainly to credit used for industrial robots and manipulators and single purpose machines. Credit policy in the investment area continued to intensify credit differentiation.

In the foreign exchange area, several changes occurred in 1984 which eased the conditions for making DNU available. The intention was to make this economically desirable credit more accessible. Emphasis was placed on the use of DNU for imports to be used in production reconstruction, modernization and rationalization, a new three year payback condition was installed and in terms of RVT support, the accessibility of DNU for research and development phase of the innovation cycle was improved.

The proclamation FMF No 118/1984 Sb. pertaining to the financing of non investment expenses for scientific and technological development was a significant breakthrough for the intensification of credit procedures. The proclamation also created more space for technical development and it initiated and created deliberations about the introduction of the so called innovation

credit; enabling the financing (and therefore crediting) of the entire innovation cycle, the replacement of production factors, a flexible implementation of the new RVT intentions and the determination of the standardization means of creating a fund from costs and profits. All this creates space for the new RVT support credit concept.

The bank's new regulations, designed to support RVT, have been implemented with mixed results. RVT's part in credit relations was greater than before and direct or mediated indicators of RVT standard were used to a greater extent for the criteria of effective credit utilization.

In the area of low interest investment, the credit used in 1985 exceeded that of 1982 by 2 billion KCS and the share of these in the total volume of investment credit increased to 24.6 percent and in the case of state economic organizations it reached as high as 30.3 percent.

In the foreign currency area, the extent of imports using DNR increased from 834 million KCS in 1983 to 1,528 million KCS in 1984. This tendency continued to 1985 when 1.8 billion KCS were used in f.c.o. prices. On the other hand, during those years the newly introduced operation credits were used up only marginally.

The bank's support of RVT in the period from the Eighth Plenum of the CC CPCZ to the beginning of the Eighth 5-Year Plan showed efforts to use new approaches. During this process many valuable experiences were gained which were used for the preparation of the Eighth 5-Year Plan.

The Bank's Active RVT Support In The Eighth 5-Year Plan

The bank's monetary policy during the Eighth 5-Year Plan emphasizes the demands for highly effective credit use. In order to meet these demands, it is necessary, by means of more effective credit relations, to increase the effectiveness of the entire innovation cycle by using technical development. The bank's goals and intentions to support intensification, effectiveness and technical development are expressed in the Regulations for the post-1985 bank's domestic and foreign monetary policy, approved by the CSSR Government. The bank's RVT support is concentrated in these areas:

1. In the course of supporting RVT, the bank applies an active differentiation credit policy. In this area, the bank complements and augments its own procedures from the past and develops the role of credit agreements (Footnote 1) (In 1986, the bank has replaced credit protocols with credit agreements.) as an expression of a complex credit relation. According to these agreements, all operation and investment credits are conditioned by the quality of work of economic organizations in applying scientific and economic results.
2. In its participation in the creation and implementation of an organization's economic plans, the bank is active in the planning process for RVT as well. In the course of this planning process attention is focused on the effectiveness, technical progressiveness and financial security, including the possibility of utilizing the bank's instruments in the support of RVT.

At the same time, the bank is supporting mainly innovation activities with a fast economic return and those that are solving product technical progressiveness, with the desirable effect on the fulfillment of sales. The intention is to increase the competitiveness on the world market and meeting the demands of domestic market.

The results of the bank's participation in the creation of economic plans for an organization's RVT, such as suggestions, agreements and other conditions, are all a part of the credit agreement conditions.

3. The bank supports RVT in economic organizations by making credit available for technical development, by regulations in credit planning (for example, by a system of credit reserves, by giving credit outside of a schedule, etc.), by credit policy differentiation (with an emphasis on credit subsidizing) and by a priority freeing of foreign currency (emphasis on the use of foreign currency credits).

4. The bank's economic work includes a qualified analytical activity in the RVT area which aids significantly in the effective focus on the bank's use of its means for the support of economic organizations' desirable RVT. On the basis of a total view of the organization's economic activity, this activity makes it possible for the bank to evaluate economic conditions and in connection with this, technical and marketing focusing of the RVT.

5. In the area of RVT state task solving, the bank has its socio-control functions. It takes part in the process of effectiveness analysis, means of financing and linkage to other parts of economic plan. The socio-control functions of the bank are complemented by the bank's economic approaches.

The Role Of Credit Agreements In The Support Of RVT

A credit agreement is the finalization of a complex credit relation between the bank and an economic organization. One of the intentions of the Eighth 5-Year Plan, is to have the bank's support devoted to the RVT in economic organizations become one of the decisive links in credit relations and have the tasks of the organization's economic plan secure the intensification factors, which are the result of the scientific and technological development. It is necessary that one of the decisive points of a credit agreement be the bank's participation in the support of RVT in economic organizations.

When determining the criteria for effective credit use and credit agreement conditions, the bank's realization divisions, i.e. department management, branches and adjuncts use indicators which characterize to what extent the RVT results were utilized (measured by economic gains). The demanding world market criteria are of main concern. The development of the relationship between export prices and the competitor's prices on the world market or the chosen research and development tasks and their technical and economic parameters, are all an example of such indicators.

To intensify the work with credit agreements in the area of RVT, it is necessary to focus more closely on the criteria for effective credit utilization

for concrete organization's RVT tasks, even though it is necessary to [word illegible] these criteria with the general indicators of the organization's effectiveness, such as comparative and profitability indicators etc.

By setting the criteria for effective credit utilization and by the conditions of credit agreements, the intention is to encourage the organizations to focus on technical progressiveness, resulting in product innovations. These innovations should help solve the possible sales problems on foreign markets and improve satisfying the domestic market. For that reason, during particular projects of the economic RVT plan and from their technical and economic parameters, the bank requires an approach which would correspond to the above mentioned points. In order for an active and economically funded approach to be successful, it is necessary to have a complex and deep knowledge of the economic development of the organization, knowledge of the budgeting ties, production plans, the structure and evenness of their fulfillment, marketing plans and problems associated with sales and the conditions for their solving, taking into account the basic production orientation as regards the technical development. Therefore, the importance of the bank's analysis focused on the economic RVT plans gains, in terms of the solving of sales problems and product innovations, the time it takes to solve tasks, financing means, etc., is evident. Every technical solution must be evaluated in terms of economic and other effects, made possible by the bank's own approaches and viewpoints.

The bank's active work requires that analysis focused on technical development of the organizations include the regulations proposed by the bank, written to further intensify the activity in this area and after an approval from a partner organization, they are included in the credit agreement conditions. Conditions for interest subsidizing, on account of meeting the RVT conditions previously agreed upon, are an integral part of the bank's active approach. It is the RVT area that the bank is favoring with its interest subsidizing and it is not just a matter of solving a task, its economic or other effects must also be taken into account.

The bank has a similar approach to those RVT projects that are already implemented in the production. In connection with the conditions of credit agreements, the bank periodically observes and checks the implementation of technical and economic parameters, originally expected and agreed upon. As regards this area, the organizations have many shortcomings. It is necessary to constantly oversee their activities and encourage improvements, including using sanctions or other means of improvements of credit relations.

The Bank's Participation in the Preparation of RVT Projects and Their Planning

In the course of making credit agreements and analysis, the bank uses its experience from its participation in RVT related activities, with the economic RVT plan being the decisive base to work from.

This plan should encourage the organizations during a short innovation cycle, to implement the significant part of the results of the research and development activity of the organizations and to have this activity resulting in a decisive flow of technical innovations, improvements in the competitiveness of

our products on the world market and the effectiveness of domestic and foreign exchange.

The present experiences show that organizations use the RVT economic plans to solve their own needs and problems, which do not always reflect the objective needs of our economy's product innovations. The innovation activity of our production and other organizations is still not up to standard. There is still not a sufficiently demanding economic environment which would force the organizations to adopt a quick rate of technical development, particularly in product innovation, which in terms of economic gains significantly surpass technological innovations, which are usually connected with a change in basic equipment. Here, the bank should play a role of an objective authority requiring the organizations to focus on how demanding the RVT is.

In terms of the present needs of intensification, the bank should use world market parameters in its approach. Respecting these parameters should correct the focus of the RVT projects and the RVT economic plans, including a focus on satisfying the demands of domestic market (savings of material, fuel and overall costs). In cases where RVT projects do not improve the undesirable technical innovation standard, i.e. when they are not solving effectiveness tasks and have a long return period, the bank intervenes and uses its means to change the focus of the RVT at a particular organization.

The bank's support of and participation in the RVT is contingent on a specific approach to the innovation cycle. Generally, the innovation cycle is understood to be a process beginning at the creation of an innovation project (either by a plan or by deciding on a solution) and ending with the use of a new, already manufactured innovative product. It covers the following cycle: research-development-manufacture-use. In terms of the bank's monetary instruments, used particularly to give RVT credit, it is necessary to look at the innovation cycle in modified form. That is because credit as a revolving financial resource, is contingent on the timing of the payback, which is dependent on the economic gain from the innovation. The modified (for the bank's needs) innovation cycle is a process beginning with the creation of an innovation project and ending with the product being introduced to the manufacturing process. This project implements and reproduces the innovation cycle results by economic or other effects.

The innovation cycle is the basis for applied research and development of economic organizations. This cycle results in product innovations which bring significant improvements in technical progressiveness, apparent in the product use value; all this is closely connected to the economic return and the effectiveness of the innovation cycle.

During its participation in the organizations' planning process, the bank also evaluates the innovation cycle's effectiveness which is contingent upon linking all parts of the economic plan, particularly the RVT and investment plan. The intention is to use most quickly and mainly most extensively the economic gains from the innovation project in a mass production. However, it is not only a matter of securing the inputs for implementing the innovation project, such as machines, machine equipment, possibly necessary construction investments, employee qualification, necessary imports for operation and investments, etc.,

but it is particularly a matter of an active approach to the linking of economic plans in such a way as to have the innovation project gains reflected in more progressive economic plans. Plans that would emphasize that cost reduction, improvements in effectiveness, profits and profitability, deliveries quality and general improvements of the situation are contingent upon export fulfillment, supplies, saving man power, etc. This active approach must be seen as a base for the bank's participation in the planning process.

The cost return and the means of financing the innovation cycle are important for the linkage of economic plans and the RVT projects reflected in them. The bank's present analysis show that a payback time of three years is economically profitable, even though this time varies depending on the specifications of individual branches. Therefore, the payback time should not exceed three years, but a shorter payback time is preferable, as is the case abroad.

Additional data shows a certain dependency between innovation project costs and the payback time. It appears that more costly innovation projects have a longer payback time and that the payback time for less demanding projects is often very short (they are, therefore, highly effective projects). That is why the bank is trying to be flexible and extend credit for financing or accelerating such highly effective projects, even if they are outside the plan. The intention is to support a good technical proposal and disregarding the plan, accelerate its implementation.

With the bank's intensified participation in the RVT support, a question arises of possible risks and the delays in solving the RVT projects. In the course of the innovation projects, time shifts on both sides can occur (delays as well as acceleration). The bank should approach this problem in such a way as to basically support progressive tendencies, in spite of the possible risk of endangering the credit payback for a particular RVT project. Credit for such project can be prolonged and a credit return--even if delayed--can be secured.

Technical Development Credits

The innovation cycle and its individual phases were used in determining the new types of technical development credit. The bank extends the following types of credit:

- innovation credit
- bridging credit to fill the resources of the technical development fund
- credit for seasonal and future costs
- credit for initial costs
- rationalization credit
- long term investment credit

It is necessary to emphasize that the first two types of credit--unlike the remaining ones--are extended to the entire RVT cycle. The innovation credit is extended for RVT projects, the other types are for the solving of individual phases of the innovation cycle and projects (usually investment) connected with the implementation of the innovation cycle results.

The innovation credit uses the space created by the regulation FMF No 118/1984 Sb., which makes it possible to uniformly finance the innovation cycle. The innovation credit is extended with a three year payback period at a 3 percent interest rate. It is meant for the support and the acceleration of the solving of RVT tasks and their implementation into the production process, in order to assist economic organizations in reaching greater economic gains and other effects. The reason for using the innovation credit is its flexibility in granting and an even approach to the innovation cycle, which means considering the solving phase and the technical prototype securing and the testing phase equally important, while exhausting all the possibilities of the technical project support. It is generally a matter of costs, connected either with the solution within the framework of the technical base of the organization itself or costs connected with the purchase of external solution. In case of the organization's own solution, costs are incurred on account of rewards, overtime work and other possible earnings of the employees and technical personnel, partial solution purchases, evaluation of other top technologies and partial solutions, travel expenses, documentation, fundamentals, domestic and foreign literature etc. In case of external solution, the costs are a result of purchases from other socialist organizations.

The innovation credit can also be extended for technical securing of a prototype and its evaluation, i.e. for instruments, machines, machine equipment, and for the implementation of RVT plan tasks that have already been solved. To be eligible for the innovation credit for machines and equipment used in solving the RVT tasks, the organization must have the agreement of the supervisory central authority (see regulation FMF No 118/1984) as well as the approval of the bank's corresponding branch management. These conditions must be met, in order to avoid the organization's misuse of the investment credit for solving problems with unused investments. Thus the bank's approach to extending innovation credit within the framework of the innovation cycle is as follows: the credit cannot be used one-sidedly, i.e. only for implementing a part of the innovation cycle--machines and equipment for prototype manufacturing and evaluating, etc.

The credit payback is contingent on the economic effects, i.e. the credit payback begins at the time when the RVT project is already at the production phase and economic gains are apparent. It is important to maintain the significance of the evaluation of the innovation cycle period in connection with the time between the credit approval and the beginning of payback. The bank is evaluating how realistic the innovation cycle period is and other effectiveness and credit revolving aspects.

The total innovation credit concept includes its incorporation into the monetary plan system. The innovation credit comes out of the monetary plan reserves, where it holds a priority position, as a very desirable monetary necessity. The acceleration and flexibility efforts are evident from the fact that extending the credit is not contingent on incorporating the innovation project into the RVT plan. In this process, the bank uses regulation FMF No 118/1984 which makes it possible to accelerate RVT by dividing real profits and filling the technical development fund. This use of such outside the plan resources enables the acceleration of the RVT projects in the course of a year, this is accomplished outside the plan for that given year.

The innovation credit can also be given to organizations which are not creating a technical development fund and which finance the RVT by time differentiation costs (mainly research-development organizations). It is also possible to adequately use credit for seasonal and deferred costs, unless they are covered by a current account.

The use of innovation credit should become one of the bank's decisive measures in the RVT support. Until now, the interest expressed in this shows that it could be an extensively used credit. Its introduction is connected with the total concept of the bank's monetary policy for the Eighth 5-Year Plan. Therefore, it is necessary to use the credit uniformly, to use new instruments such as for example, criteria for an effective use of credit, credit agreement, intensification of the active credit differentiation, etc.

The bridging credit, used for filling up the resources of the technical development fund is another type of technical development credit. This credit is used in case of a need for a short term bridging to cover the lack of technical development resources. The advantage is to receive the credit through the end of the year and this would correspond to the credit extension period. Therefore, it is a credit assistance which has no immediate and direct tie to the individual RVT projects and which weakens the tie to the active character of a credit agreement.

Furthermore, there is the credit for seasonal costs and deferred costs which can cover a phase of an innovation cycle, such as expenses for the preparation and beginning of production, license costs, etc.

These credits are used when the credit participation has no relation to the entire innovation cycle and its progressiveness and effectiveness, or when the innovation credit is used to solve other problems connected with single tasks of a lower grade technical development.

Investment credit for rationalization measures and for construction have a significant place in the general innovation cycle, particularly because of accelerating the implementation of the innovation cycle by transferring RVT projects results to the production. The innovation credit can partially fulfill this task but the decisive role must be played by investment credits, rationalization credits in particular. As regards this task of investment credit, it is necessary for the bank to focus on its participation in the planning process, particularly in terms of linking the RVT plan, the investment and financial plan and consider all these relations in the credit agreement.

The Bank's Foreign Currency Instruments For RVT Support

The bank's complex RVT support includes using foreign currency instruments. Foreign currency credit (DNU) is one of the important instruments. Its use must be understood in connection with either forms of the bank's participation in RVT, mainly with the use of technical development credit in KCS.

The changes in the methods of extending foreign currency credit took place in order to create a space for an extensive utilization of DNU. According to the

Conditions of the Czechoslovak State Bank, the DNU is presently extended in order to assist in covering foreign currency costs incurred during foreign trade activities and for making payments abroad (Conditions from March 1986). According to the Conditions, one of the basic areas of DNU utilization is imports to be used in solving RVT tasks, mainly in the area of enterprise research and development. These RVT projects, by their level of effectiveness, should correspond to the conditions set for extending DNU, which closely corresponds to the credit conditions of the innovation credit, for example. It should hold true, that if the result of an RVT project is a product meant for import to non-socialist countries and if innovation credit was used to produce it, then this project should meet the conditions for DNU as well. It is necessary to emphasize that to extend DNU for RVT support, the Conditions allow a number of exceptions, such as the production linkage exception, etc., while taking into account the specificity of individual RVT projects.

Extending DNU for RVT projects is not contingent on receiving KCS credit. The Eighth 5-Year Plan allows great space for the utilization of this progressive foreign currency instrument and the State Planning Commission has created a significant reserve (circa 10 billion KCS) for this Eighth 5-Year Plan. It is necessary to utilize this space and to emphasize the flexibility of the conditions for extending DNU for RVT.

In terms of non-revolving freeing of foreign currency, the bank frees its assets for RVT special needs in investment as well as non investment imports. This form is contingent on the plans and foreign currency limits, particularly for the central branch authorities and central institutions. These institutional funds can free non revolving foreign currency means for applied research and development of an Economic Production Unit, enterprises and other organizations. The foreign currency funds and reserves of the institutions have been increased by 0.5 billion KCS since the previous 5-year plan.

The bank's activity in the area of licensing and renting machines from non socialist countries is significant. It is desirable that the bank further intensify its RVT support in both of these areas; however, so far its use is limited. In the Eighth 5-Year Plan, the amount for purchasing passive licenses and machine rental was increased by 400 million ECS. The intention is to not only broaden the use of licenses and machine rentals but to strive for a closer link between production and research and development base and the connection to the RVT plan tasks.

Foreign currency incentive is one of the bank's foreign currency measures taken to support RVT. A partial participation in the foreign currency cash intake rewarded for RVT results was introduced. In case of the applied research and development it is mainly a matter of the export of industrial titles and services. In relation to RVT, the rate for calculating the entitlement to foreign currency incentive has changed. In addition, foreign currency bonuses are given to citizens that have inventions, industrial patterns or improvement suggestions resulting in foreign currency gains.

The Bank's Social Control Function In The RVT Area

With its social control activity in the RVT area, the bank complements the utilization of its monetary instruments in this area. The subject of this activity is mainly the accomplishment of given tasks of the state plan for scientific and technological development, the bank's participation in opponency procedures for the RVT state plan tasks, direct control and on the spot inspection of economic organizations.

The inspection activity in the RVT area is part of the bank's regular control and it is focused mainly on checking the fulfillment of the plan, checking the course and flow of individual stages of RVT projects, checking documentation accuracy, statements, billing and invoices. An important purpose of the control is the RVT project financing, exhausting and repaying credits and the utilization of foreign currency means.

The bank's departments (branch management or subject area departments) also participate in opponency procedures for the RVT state plan tasks. At the economic RVT plans level the bank's concrete participation in the opponency procedure is in the form of remarks, suggestions, requirements, etc. The bank's participation is an expression of the efforts to achieve a complex approach, including the participation of branches and engineers and technologists during the processing of the base on which the bank makes its suggestions. The bank's approach to the opponency procedures, particularly from the economic point of view, is to make sure that RVT state tasks establish the basic direction of the concept of technical development of branches and subject areas and by its significance and focus, to provide the roof for enterprise RVT plans as well as a way out. At the same time, the bank is emphasizing effectiveness and technical progressiveness of the state tasks and it also makes sure that these plans include basic research results. Another important point of the bank's participation in the opponency procedures is the complete evaluation of all parts of the plan, already at the central level and a realistic solution for the RVT projects financing.

During the Fifth 5-Year Plan the bank is intensifying its RVT support in economic organizations and it is continuing with the activation of its economic instruments signified after the Eighth CC CPCZ Plenum. This effort corresponds to the path already taken towards the intensification of national economy. The bank is complementing this effort with its task to influence the effectiveness of the reproduction process by credit, interest, foreign currency and other instruments.

The scientific and technical development has become a determining factor in the development of economies. Unfortunately in our economy, the development has not reached the desirable dynamics. It is therefore necessary to fully utilize the new system measures, adopted in the planned management of national economy, in such a way as to make the scientific and technical development proliferate more significantly to the production sphere. The process of improving the system of planned control should create economic conditions which should encourage enterprises to use innovative activity more effectively than has been the case until now.

COMPUTER EXPORTS GROWTH VIEWED

Prague SVET HOSPODARSTVI in Slovak No 21, 1987 p 2

[Article by Josef Drab: "Last Year's Growth Of Export"]

[Text] Datasystem Bratislava:

Last year's growth in exports

The export to socialist countries showed most dynamic development: more than Kcs 516 million f.o.b.

Last year, Datasystem Bratislava, a specialized concern organization, reached sales of Kcs 2.5 billion. Exports to socialist countries showed the most dynamic development. They increased by approximately 25% or more than Kcs 516 million f.o.b.. This means that the plan for 1986 was exceeded by 6.7%. The exports to non-socialist countries increased by approximately 5%.

However, the total volume, at almost Kcs 1.9 million f.o.b., is not very high. When it first exceeded the mark Kcs of 0.5 billion f.o.b., the export to socialist countries itself was a milestone of the Datasystem operations. The organization was also successful in managing other indicators such as profits and adjusted value added. The growth dynamics in profits showed the highest increase- 34%, compared to 1985.

The Datasystem is a decisive element in the program for the electronization of Czechoslovak national economy. It is a part of the VILJ Zavody automatizacnej a vypoctovej techniky [Economic Production Unit of the Automation and Computer Technology enterprises] in Prague and, as a specialized concern organization, it is active in Slovakia and, in some specialized areas also nationally. Its task is to supply the national economy with computer, organizational and documentation technology, including export of Czechoslovak SMEP (system of small electronic computers) computers while offering their set up and operating instruction services.

Compared to 1986, the rate of growth of the organization's output for 1987 is visible in all economic categories. The export to socialist countries and to the USSR is the most significant. Equipment worth Kcs 350 million f.o.b. is to be exported to the USSR alone, an increase of 52%. The total

export to socialist countries is expected to reach Kcs 625 million f.o.b.. Compared to last year, profits are expected to rise significantly - by almost 34%. This year, export to non-socialist countries will reach Kcs 2 million f.o.b.. Certainly the most interesting phenomenon will be the increase in exports to socialist countries. By 1990, the exports are expected to be Kcs one billion and 190 million f.o.b. and to the USSR alone about Kcs 470 million f.o.b..

In the year 1986, after the organization became the second largest exporter to socialist countries after Zbrojovka Brno, within the framework of the VHL Zovody automatizacnej a Vypoctovej Techniky (VHL ZAVT). The Datasystem exports are within the VHL ZAVT, the highest per employee; the same applies to profits. The organization achieved the highest work productivity (based on adjusted value added)--143 347 Czechoslovak Crowns per employee.

A total of 279 SMEP computers exported since 1981. During the last year only, Datasystem exported 84 computer systems - 39 to the USSR, 34 to the GDR and 11 to Poland. Of those, 45 were the SM 4-20 computers. Six of them were exported to the FRG, Austria and West Berlin. In October of last year, the organization exported the hundredth SM 4-20 to the GDR and because 96 computer systems were exported to the USSR, the hundredth SMEP is expected to arrive there this year.

The organization is paying special attention to the export of software operating systems and services. This type of export began in 1984 when operating systems were included with computer experts and later in 1985 and agricultural software was added. Last year, services such as custom programming services for customers abroad were made available. Compared to 1985, the software export doubled in 1986. This year, such export to the USSR only, will reach 11 million Czechoslovak Crowns f.o.b..

Since 1986, the Datasystem is working on a significant project for supplying and creating an data base for the International Investment Bank and Bank for International Economic Cooperation in Moscow. It is a three year project which will become the basis for a new type of complex export deliveries, where the organization supplies a computer center design, delivers the computer and auxiliary technology and at the same time supplies the operating system, according to user specifications. The Datasystem is also preparing an automated data base for CEMA secretariat in Moscow.

Datasystem employees are actively participating in the CEMA countries' comprehensive Program for Scientific and Technological Development until the Year 2000. The organization plays the main role in Czechoslovakia in solving two tasks of this program: Databank and expert systems as well as a set international algorithms and programs. This year Datasystem became one of the most decisive organizations in determining the role of the state plan for technological development, the "Unified Operating systems." Within this framework problems dealing with database systems and real time operating systems will be solved.

12993/12951
CSO: 2400/197

SUPPLIER-CONSUMER RESPONSIBILITIES UNDER 'RESTRUCTURING'

Prague HOSPODARSKE NOVINY in Czech No 13, 1987 p 5

[Article by JUDr Anna Haluskova, CSc., School of Economics in Bratislava]

[Text] The qualitative change in the planning process, anticipated under the Principles of Reconstruction of the Economic Mechanism, and based on the legally established stake in final economic results, should also bring about a new approach on the part of economic organizations to the matter of concluding commercial contracts. The interest in maximizing the final results should manifest itself as an interest in the maximum number of contractually guaranteed requirements for goods or services which constitute the production structure of the economic organization (are the subject of its activities). Only the maximization of contractually guaranteed requirements will ensure the maximization of economic results, the maximization of net earnings.

The attitude of an economic organization as a supplier toward discharging its contractual obligations should be changed. Also changed should be its attitude as a consumer organization. A stake in the final economic results will concentrate the interest of the consumer on not only ensuring deliveries, but ensuring them in the needed quality and at the lowest possible cost.

Contractual Obligations

The relationship of contractual and non-contractual deliveries should be placed at a different level. The objective interest of supplier and consumer organizations to maximize contractually guaranteed deliveries will be strengthened, using non-contractual deliveries only as an exceptional practice in supplier-consumer relations, as a rule arising only as a result of unusual circumstances, break-downs, shortfalls, or other unpredictable situations, or as a means of reacting to an unforeseen increase in demand during the process of implementing the plan in which the organization has an economic stake.

The new approach also creates new conditions for evaluating organizations according to how they formulate and fulfill their commercial contracts. At the same time, their stake in the final economic results will deepen the motivation of consumers and suppliers to correctly determine the conditions for

fulfilling the contract, as well as of the penalties for poor quality or for not meeting the agreed upon obligations. Thus the evaluation of how commercial contracts are being honored should not be a matter of administrative documentation of concluded and fulfilled contracts, but should be a matter of economic interestedness.

Every leniency toward a supplier who did not meet his obligations would be reflected in the asset formation of the economic organization of the consumer, and thus also in the specific resources for the monetary incentives of the appropriate work collectives. If a practical differentiation is applied, it should be reflected above all in the monetary incentives of the managers, particularly those who are responsible for demanding penalties for poor quality or non-fulfillment of a contract.

In this connection, a question is being raised concerning the conditions in current economic-legal relations, as to whether the high requirements of a consumer will not cause such a reaction on the part of the suppliers that they will not be interested in concluding contracts with a highly demanding consumer and will give preference to those who are lenient and undemanding. Such a danger does exist under the circumstances of a distinct imbalance between supply and demand and restricted opportunities to obtain goods in short supply from foreign suppliers. Under such conditions, even given the new standards of planning, it will be necessary to use legal measures aimed at making the contractual obligations broader.

Another important point in perfecting the legal structure of planning will be to ensure shortened time terms which ought to be comparable to those prevailing in world markets. This problem will have to be resolved in a comprehensive manner, that is, also in relation to sub-supplier organizations.

In perfecting the legal structure of planning we cannot avoid the problem of vertical responsibility. It is essential to make certain that directing agency, which assigns tasks, is answerable for consequences of how the tasks are carried out as to quality and efficiency. Economic organizations are quite often given assignments to produce this or that type of goods, but after accomplishing the task, after producing the goods, they have no market for them, the organization is left with growing inventories and does not achieve the needed profitability. This constitutes a serious problem under the current conditions. Its acuteness increases sharply when it affects the economic stakes in final results, where the absence of a possibility to market the goods produced on the basis of tasks given by a higher agency can mean a marked reduction of net income, and thus also a marked reduction of allocations to individual funds of an organization, among others also the special compensation fund for its workers.

An interesting inspiration for solving this problem is the approach taken by the Bulgarian People's Republic. In connection with formulating a new status of the ministries, a new system of responsibility in vertical relations is also being applied. It gives the economic organizations the chance to request the ministry (as the directing agency) to compensate them for negative results which come about as a consequence of the directing action, or perhaps inaction, of the ministry in relation to the organization.

Compensation for Losses

It appears that in the process of making qualitative changes in our national economy, in the system of relations between socialist organization, it will be necessary to analyze the possibilities of amending the general structure of loss compensation in the Economic Code.

Not meeting the obligations to which a supplier committed himself, not meeting the time terms of the contract, or not providing the quality required by the contract, all of this hinders the functioning of the process of expanding the socialist replacement process and represents losses caused not only to consumers but consequently also to other links, which finally ends in considerable losses in the total final macroeconomic results.

A basic requisite for preventing damage to supplier-consumer relations is to ensure that each obligation is based on actual, realistic potential of the supplier organization, and that accepting the obligation is consistent with the basic economic interests of the organization. Economic organizations frequently take the gamble of depending on only a single supplier, even when large amounts of deliveries of a specific product material, parts, or other semifinished products are involved. This entails the great risk that in the case of a break-down in the machinery and equipment of the supplier or some other unforeseen circumstance, there is no actual or theoretical possibility of ensuring the implementation of tasks by the consumer who is affected by it.

A subject of much discussion is the problem of determining or quantifying the loss incurred as a result of the failure to meet deliveries. Opinions can be summarized in following groupings:

- quantify losses by the value of the undelivered production;
- quantify losses by the consequences arising from the non-delivery of production
- search for ways of quantifying losses correlatively by the value of the undelivered production and the total impact which the failure to meet the obligation had on the activity of the organization.

It is logical that for the consumers the financial recompensation for unmet deliveries--as long as they do not have the option of obtaining them from another supplier--represents only a small remedy for a much greater loss incurred by the shortfall in the production of their organizations, or by the failure to meet their own obligations, many times greater, for which they have to answer to their own customers.

The substance of the second group of opinions is the requirement to ensure that the work collective of the consumer is compensated for all losses which it incurred as a consequence of the failure of its supplier to meet his obligations. But such a legal measure would mean, in extreme cases, that a supplier responsible for only a small portion of deliveries for the total production of a consumer would be paying for losses many times greater than the value of his deliveries.

Thus generally the third method of solving the problem seems to be the most appropriate; it would require placing the responsibility for losses to a much greater extent on the organizations which caused them and broaden the obligation to compensate for lost profit to all losses caused by a failure to meet legal obligations.

It seems useful to establish the following initial steps:

- gauge the mutual interdependence of the legal measures for loss compensation and the responsibility for defects, because the question of quality or lack of it is very closely related to losses incurred by the consumer from this item as well;

- make an integral part of the legal basis of loss compensation the obligation to secure compensatory deliveries from other suppliers, preferably from domestic suppliers, but if that is not possible, also from foreign suppliers.

Suggestions thus understood, aimed at a new definition of responsibility for losses and its linkage to responsibility for defects, stem from the basic concern to make certain that a consumer receives a quality delivery on time, so that he can fulfill the tasks which society expects of him. To ensure, therefore, that the supplier would have not only the task of delivering his product, but that a part of his obligation would be to arrange for deliveries from an alternate supplier if he himself cannot deliver his product. And if he is unable to do so, then he must bear all the expenses which the consumer will incur by having to obtain deliveries from an alternate supplier (usually by express delivery).

Such a formulation of responsibility for losses, together with the responsibility for poor quality of deliveries, should have a great preventive impact not only on suppliers but also on consumers, who would already during the process of concluding a commercial contract for deliveries, in their own interest, think about, have in prospect of possibly even secure by legal means, possible compensatory deliveries.

12605/12951
CSO: 2400/241

SMALL ENTERPRISE 'EXPERIMENT' PROBLEMS VIEWED

Prague TRIBUNA in Czech No 16, 1987 p 16

[Article by Libuse Cenovska]

[Text] "Everybody agrees that something has to be changed in the way the economy is being managed," the chairman of the party organization, Karel Andera, told me following its annual meeting. "We should be getting some of the details by now, people are asking...time is wasting."

One Million's Worth Daily to Prague

There were no celebratory speeches to commemorate the anniversary. Discussions by communists had a sober tone--they were all thinking about the experiment. The chairman mentioned it in his report as well. It is not by chance that of all the food processing branches only two have been chosen to test the new rules of the economic mechanism: the branch enterprise Mrazirny (Frozen Food Plants) and the branch enterprise Cokoladovny (Chocolate Processing Plants). Mrazirny have done well up to now in fulfilling their assigned tasks for the domestic market as well as for export.

The plant in Sedlec, particularly its roughly 30 drivers, distributes and delivers goods in the value of one million Kcs daily to shops and other customers in Prague. During the first 10 working days of February, when shortfalls from January were being made up, this came to 1,306,000 Kcs. Prague is a great gourmandizer. Elsewhere in the country there is a ready market for spinach, mixed vegetables and fish, but here they buy and eat everything, including cottage cheese pastries and other foods." Goods brought in to Sedlec from Bohemia and Moravia are gradually taken out of the warehouse by drivers and distributed. Beginning with fruit and whipping cream preparations, up to dumplings with bacon. The ratio is now approximately 14 kg a year of frozen food products, including fish, for every Prague citizen. That represents an increase of 1.6 kg per citizen during the Seventh 5-Year Plan alone. Consumer interest keeps growing. And hotels, restaurants and school cafeterias in particular are asking for larger deliveries of vegetables and french fried potatoes. "The restaurant Arbat alone uses up to 1,000 cartons of french fries each week, and another 700 is used by the fish restaurant on St. Wenceslas Square. But we are working at capacity, we cannot produce and ship more," said director Eng. Martin Hejduk, one of the youngest directors in the sector.

French fries are a chapter unto itself. Of the 16 frozen food plants in CSR (excluding fish), they are produced only by the plants in Tabor and Opava. The Tabor plant had an equipment breakdown in the fall, and as a consequence production was interrupted. The stockpiles which stores had on hand or which were warehoused in Sedlec were quickly sold out, and the Opava plant could not keep up with the demand by itself. As a result, there were complaints from customers and explanations in the press. Although production in Tabor has now resumed, 8,000 tons of french fries per year is too little for the CSR market network anyway. In summer, a new potato peeling and processing plant will be added in Brtnice, with an yearly output of 3,000 tons, but when you think about Brno and its trade fair...?

Public meal service, hospitals, plant cafeterias, as well as the small consumer--all call for additional tons of peeled and processed vegetables and potatoes. We can also see some possibilities of additional exports. Everybody wants to save time and labor. By cooperating with the agricultural enterprises, we can secure the raw materials. But so far, the shortage of new deep freeze warehouses has been an unsurmountable barrier. Without them, this type of production cannot be expanded.

To Overcome Obstacles

How to better satisfy the needs of the people and accelerate our entire social and economic development? That was the topic discussed at all the annual membership meetings, and in the Sedlec frozen food plant as well. What needs to be done, then, to put more goods into the self-service freezer chests, to make both the large scale and small scale food preparation more productive and the scrap, which is now being wasted, used as fodder?

Although there have been many housing developments built in Prague, and there is an effort to expand a modern public and factory meal service, there has not been one frozen food plant built since the 1950's. And so today goods are shipped from Sedlec as far as Komorany, from one bank of the Vltava to the far reaches on the other bank. And the empty trucks rush back for more goods because customers are waiting. If trucks with goods from Mochov, Tabor and Opava could load up also at the other end of Prague, how much we could save in trips, fuel and time, as well as improve the atmosphere at the center!

"The limiting factor in increasing the production in Mrazirny is warehouse space," both the chairman of the party organization and the directors of the enterprise agreed. "The warehouses for pre-deliveries, marketing, and warehouses to store increased production are not sufficient, everything is full." And at that they would want to develop even here the production of wanted vegetable mixtures and increase the self-sufficiency of Prague and the Prague-West district in this respect. Why is so much of the vegetables and potatoes being shipped from place to place anyway? This has to be re-evaluated for economy's sake. Who plans ahead, does not make mistakes. The management and the party organization therefore propose to expand and speed up the construction of deep freeze warehouse directly in the area of the plant in the meantime. They have picked the site, no new acreage would be required, and a new hall has been under consideration for a long time. The planning has been postponed

for lack of capital and capacities; construction was put off to the next, now already the Ninth 5-Year Plan. Let us remember the words of comrade Strougal, who said on 27 January during the active on guaranteeing implementation of the resolutions of the 4th Plenum of the Central Committee of the Czechoslovak Communist Party: "To prolong the existence of the current system of management and economic mechanism would mean to put the implementation of the strategic line of the 17th Congress of the Czechoslovak Communist Party at serious risk.... We cannot hide the fact that people are not satisfied with the low tempo and fluency of the manufacturing and working process, as well as with the fact that as a consequence of the relatively low productivity of our economy society cannot satisfy its interests and needs to the extent that we should need."

Therefore, they are getting ready even here in the frozen food plants for the announced changes. The restructuring of the economic mechanism and the inspiring examples from the Soviet Union gave new vitality to peoples' thinking and reasoning; they await with hope their placement in the experimental verification of the new management and financing methods. They are not afraid of more independence and responsibilities, they are convinced that had they had them earlier, they would have achieved more in many respects.

Managers' Reflections

When director Martin Hejduk presented to the committee and to the annual meeting the information he gained about the experiment at the coordinating session of the economic production unit, party members raised a number of questions, which attests to the fact that they are reflecting on the principles of reconstruction, the *khosraschet*, and the changes in management. For example: "When we go to self-financing, does that mean that we will have to "foot the bill" for the construction of the warehouse by ourselves? After all, it will serve also other plants." In the frozen food sector there are plants with different levels of equipment, of different stages of age and wear. A new freezing plant, with new equipment, will be in a more favorable position. "We have work out capital assets and depreciated trucks, that should be taken into consideration."

Those in Sedlec are considerably dependent on transportation, and the question of planes and refrigerated trucks is a subject of considerable debate, particularly among the drivers. They are asking: Up till now, vehicles have been allocated to us; will we be able to purchase them freely, and where? And out of what resources--we should not have to have our entire profit go for that! The starters burn out, and we have to change pumps all the time. We are paying thousands for the poor workmanship of others; that will not be possible during the experiment--they point out. Besides automobiles, however, the balance sheet also includes high-lift trucks, plates, concrete, bricks and wood. "When we need something, it means long and cumbersome proceedings, a lot of wasted time. How is this going to be done during the experiment and in the new management system?"

Another matter which is being discussed concerns fuels. At present, more savings are demanded of everyone. "When we give, or wish to give better performance, ship more goods, we should be able to buy more fuel than, for example,

those who produce goods for warehousing where there is no greater output. Cuts and limits ought to be determined on a differentiated basis," they suggest.

In reflecting on the experiment, the questions and reminders are not the only matters raised at the frozen food plants. True, it would be ideal for them to go into processing elderberries for export and thus to realize a quick profit, perhaps buy more machinery and equipment from abroad. But--if everyone did that, who would take care of current production for the domestic market?!--they also ask themselves. And as good managers, they reject the idea, because that would not be a good way to go, for themselves or for others. Everything has to be well thought out and integrated ahead of time.

In Sedlec They are Getting Ready

Irrespective of when "the hour will strike" or when the new rules are received, those in Sedlec plan to apply khozraschet principles and further improve their work, even though in 1986 their plant fulfilled both the plan and the counter plan, as well as all the indicators. Export was also successful. Long before the government resolution was arrived at, therefore, they paid attention and are still paying attention to the quality of work of individuals as well as collectives. During the past 5 years, there was not one instance of goods being returned by their foreign partners because of poor quality! We expect the fewest worries in this sector during the entry into the experiment; they are already prepared.

The management of the plant and the party organization also worked out ahead of schedule the economic incentives in such a way, that each driver, after finishing his work assignment, can calculate his profit according to how many goods he has shipped and sold. Everyone knows what he is doing and acts accordingly--they work during working time. The reduction of overtime during last year--while productivity and wages rose--is the greatest accomplishment of the plant. That, too, will come in very handy.

"Every koruna of expenditure reduces our output and profit" declared comrade Martin Hejduk in his presentation at the membership meeting of the party, "and each koruna of expenses also reduces payroll fund by 20 halers. During the experiment the number of indicators will be reduced, nobody will be interested in whether we have a full complement of work force or not, the main concern will be only the output and the profit."

When all this is explained to the people, they take a different attitude toward their work, and thus the drivers, too, calculate how the new starters and pumps cheat them of their money, the enterprise of its profits, and all of them of time, which could be used for productive work. They know that their effort to reduce costs during the first quarter of this year was considerably hampered by freezing weather.

And who, then, will be financing the construction of the new warehouse?

"The experiment will be applied in the entire sector, other plants of our production unit will also share in it," explained comrade director. "We had

a profit overrun of 1,500,000 Kcs last year, but you cannot build much of anything for that today, we could not handle it alone. But if every plant in the entire sector contributes as much, that will already bring in 30,000,000 Kcs.... And the next time we can help out somewhere else--there are new frozen food plants scheduled to be built in Tachov and in Rumburk."

There is nothing secret about this, having such information only makes people even more interested in what is being done and what will be done in the sector. In the plant they know that if they are to achieve even better results, not only the accountant and the director, but every worker will have to know how to calculate well.

When the Sedlec frozen food plant was being built, the plans were to have 12 trucks there. The garages, washing equipment, and ramps were built accordingly. During the 30 years since then, mainly the production has been increasing, so that there is no place to repair or garage the 65 trucks they have there today.... Half of them have no residual value and are beyond the limits of their service life. Of the planned amount of 15 million Kcs for the purchase of new trucks they spent only 3 million, because more vehicles were not allocated to them. That, too, is one of the reasons why people are interested in the restructuring of the economic mechanism, and have great hopes that the experiment will bring about a further development of the plant and an improvement in their working conditions.

The rules of the comprehensive experiment, giving greater authority and responsibility to the economic organizations for an effective development, will be announced in stages during the course of this year and concurrently applied according to the conditions and degree of preparedness of the various organizations.

12605/12859

CSO: 2400/245

DIFFICULT SOCIOECONOMIC CONDITIONS IN SILESIA DETAILED

Katowice GOSC NIEDZIELNY in Polish No 13, 29 Mar 87 pp 1, 3

[Article by Krystyna Loch: "A Picture From Numbers"]

[Text] During some freezing January days in 1987, it was difficult to get to, for example, Chorzow from Katowice. Almost all urban transportation service came to a standstill at that time in Silesia. Then, networks providing heat, light and water to homes began to "break down." The only consolation for the cold and tired people was the sight of white snow covering the everyday dust and dirt.

It may be said that similar things also happened in other areas of the country about which the radio and television media informed. However, the point of the matter is that Silesia is the most flagrant example of disparity between the economic development of a region and the conditions of social life; between official opinion and everyday life. The unhappy situation in which Katowice Province finds itself is confirmed by data contained in the annals of the Main Office of Statistics [GUS]. These are concrete figures which, in my opinion, can convince more than words that the appeal for help for Silesia is not an exaggeration. They also indicate that this assistance cannot be postponed into an indefinite future. I have made a comparison of the information from Katowice Province with the national average which also takes into account regions considered to be poor. It appears that a comparison with large urban centers such as Warsaw or Krakow would turn out even more unfavorably for Silesia.

What Does Silesia Have To Gain From This?

The region of Katowice Province is relatively small: it constitutes a little over 2 percent of the country's surface area. However, 10 percent of all Poles live there. Therefore, it is cramped. Despite this the number of people is growing. This is a region with the highest positive migrational balance in the country. In 1985 alone, 8,300 persons came to settle down in Katowice Province (this gives an average of 700 persons per month thus, as many as reside, for example, in a 13-story housing complex.)

Katowice Province provides nearly 18 percent of the country's industrial production. Therefore, from every kilometer of Silesian territory, eight times more industrial production goes into the country and the world than from an analogical surface area of the country. This percentage share is in reality higher if we are to assume that the production from heavy industry is calculated according to so-called official prices--these usually being lower in relation to the actually created values. Larger production requires more workers. For this reason, there are on an average more people working in Silesia than on an average in the country. For every 1,000 residents, there are 405 people working here, and in the country--on an average only 321.

What does Silesia gain from giving the country significantly more than the remaining regions? The entire country knows that one can earn more in Silesian industry. In 1985, the average wages in Katowice Province were 40 percent higher than the average national wages. In the industrial sector itself, this amounted to 50 percent. However, the saying that "money is not everything" proves true to a large extent in the case of Silesia. It is a well-known fact that it is dirty and smelly in Silesia but only statistical data reveal the great extent of this. An average of 26 percent of the country's coal-dust, 33 percent of gasses, and 60 percent of all the industrial waste in the country falls on the region of Katowice Province. Thus, not only the largest but also the most dirty industry is concentrated here. Living in such an environment, people become ill more often and die more often. In 1985, in terms of 100 residents there were on an average 12 persons receiving medical treatment in clinics throughout the country. On the other hand, in Katowice Province there were 14. The death rate in Silesia is also higher and this pertains to both infants and adults. In 1985, there were on an average 19 deaths among children per every 1,000 born in the country whereas there were 20 in Katowice Province. Similarly, in terms of 1,000 persons, 10.2 persons died in the country during that same year whereas in Katowice Province there were 10.5 deaths.

Statistical data indicate that despite the higher wages received by the residents of Katowice Province, life is on the average worse. This is demonstrated, above all, by the housing situation. Admittedly, the residents of Katowice Province have on the average bigger quarters but they are older and, therefore, lower in standard. Nearly half of the existing apartments in Silesia were built before 1945. Therefore, they are not as well equipped as the ones being built currently. In 1984, on an average 63 percent of all apartments in the country had central heat whereas in Katowice Province--only 53 percent. The degree of gas installations in Silesian apartments is also lower (60 percent on the average; 63 percent on the national average). The same applies to equipping with bathrooms. The situation is good only in the case of water supply systems. What good is it, though, when there is an increasingly greater shortage of water?

Industrial Investments Still in the Foreground

Despite this, in the distribution of capital for investments, industry continues to be given preferential treatment. Investment outlays for the housing

and municipal economy are lower in Katowice Province than the national average. In 1985, an average of approximately 30 percent of the total investment resources were spent for industry in the country whereas in Katowice Province--52 percent. The ratio is reversed in terms of funds spent for the housing and municipal economy: an average of 25 percent in the country and 20 percent in Silesia. Therefore, a kind of paradox arises. A growing number of working people and increasingly less funds for housing and municipal systems. At the same time, another serious social problem arises, namely the distribution of living quarters. Since local residents already have a place to live somewhere, newcomers from outside Silesia are usually allocated new living quarters. It is estimated that newcomers receive approximately 75 percent of the apartments ready for occupancy. It follows from this that if local residents wish to improve their housing conditions and wait in the cooperative or plant line for new quarters, they have a four times smaller chance for this.

A resident of Silesia has a greater problem than the average citizen in spending earned money. On an average, there are fewer stores here. In 1985, there were 204 persons on the average in the country per 1 store whereas in Katowice Province, there were 234 persons. It is also more difficult to obtain medical care in Silesia or to make use of postal or telephone services. For every outpatient clinic in Silesia, there are 20 percent more patients than on the national average. There are also relatively fewer post offices. For every 10,000 residents, there are 1.3 post offices in Katowice Province whereas this number is 2.2 in the country. Therefore, in Silesia one usually stands longer in line at the store counter, at the doctor's, and at the post office window.

It is also more difficult for residents of Silesia to educate their children. Overcrowding starts as early as in grade school. In Katowice Province there are relatively fewer elementary schools in terms of the number of residents. For every 1,000 people in 1984, there were an average of 130 elementary schools in the country where in Silesia--only 117. This means that the transportation of children from new housing communities to distant schools takes place more often as does teaching in so-called shifts; i.e., classes in the afternoon and evening. The structure of post-elementary schools and more specifically, the ratio between vocational and secondary schools does not conjure up a positive image. Using the ratio of 1,000 inhabitants, there were on an average in 1985 41 vocational and 40 secondary schools in the country per the aforementioned number of residents. For Katowice Province, this ratio is 42 and 8, respectively. Therefore, young people in Silesia have more of a chance to attend a vocational school than to obtain a liberal arts secondary school education. This situation along with the traditional concern in Silesia for acquiring a "trade" is the reason why relatively fewer young people aim at a university education. In 1985, a national average of 91 persons attended universities per 10,000 residents as opposed to nearly a half less in Silesia, for only 54.

In Silesia, there are already relatively fewer people with a higher education than the national average. This was also written about recently in "GOSC."

Therefore, everything appears to indicate that in the future this region may not only lack fresh air and housing but also its very own educated class. This particularly concerns people with a liberal arts education who should be working in the field of education, science, culture, and who should strive to make life in the region more human and to prevent it from having the reputation of a "cultural desert."

The presented dismal vision is furthered by the fact that in Silesia it is easier to go to the movies than in other regions but more difficult to check out a book. There is an average of nearly 13 seats in movie theatres in the country waiting for 1,000 residents whereas in Silesia, there are more since nearly 15. At the same time, a resident of Katowice Province has only 2.5 books at his disposal in libraries whereas the average citizen in the country has 3.2 books.

The year 1980 dispersed the myth about the Silesian Eldorado as, in any case, many other myths. It turned out that the potentate is a giant on clay feet and needs the assistance of others. In 1982, the Council of Ministers passed a resolution about creating basic conditions for the functioning and the further development of Katowice Province. Its main assumption was the raising of fees and fines for polluting the environment. These revenues were to create a fund for the protection of the environment and water management. In accordance with the passed resolution, industry has been paying more for several years now for contaminating the atmosphere. It includes this in its prime costs and, for all practical purposes, does nothing else. Indeed, the governor of Katowice has more funds than previously for environmental protection. However, the point of the matter is that because of the increased cost of investments, they do not suffice to cover the existing needs.

The issue of assistance for the governor of Katowice was revived more thoroughly in the assumptions of the plan for 1986-1990. This includes the banning of the localizing of industrial investments in the urban center of Katowice (including others, e.g., Gdansk, Krakow) which would cause employment to increase by 200 people. This is already something, although, I fear that in practice little will change because the ban will not touch investments connected to the use of local raw materials. This means that coal mines will continue to be built (something which, in any case, is included in the plan) and people will be brought in to work underground. The plan for 1986-1990 also assumes the construction of three sewage treatment plants for Silesia (eight for the entire country). The plan also includes investments that would assure water for the region and, in addition, the improved functioning of the regional passenger transportation system is envisaged. The largest funds have been envisaged for the governor of Katowice. These funds constitute 10 percent of the investment outlays intended for the regional authorities. This makes it possible to be somewhat of an optimist, although, on the other hand we know that this is only a formal step in the direction of saving Silesia from ecological annihilation and social backwardness.

We Cannot Manage on Our Own

Stefan Bratkowski wrote recently that Silesia should try to save itself. That is true because a shirt is the closest thing to one's skin. However, the problem is in whether the region will be able to solely on its own undo the existing harm and neglect that have, after all, accumulated over years of work for the good of the entire country. Because Silesia requires not only radical and costly measures on behalf of environmental protection, although, undoubtedly this is the most important matter. It is also indispensable to resolve the problem of housing construction--both the building of new housing developments as well as the repair of old homes. This is accompanied by the development of the so-called urban infrastructure in which the assurance of water occupies a crucial spot. Another important problem is the building of schools, hospitals, outpatient clinics as well as libraries and other cultural buildings. These must be long-term activities that are systematic and consistent.

Making up for lost time is never easy because the passing of time rarely works in our favor. This also pertains to Silesia. There is a lack of land for housing construction in Silesia which as a result of damage caused by mining becomes particularly expensive. It has been estimated that the construction of one apartment during the current 5-year period requires subsidizing in the amount of 1.6 million zloty for land development, thus, three times more than in previous years. Therefore, the funds assumed in the central plan, although significant, may not be sufficient all the more that they have been set in proportion to the number of people and not the actual conditions and needs. The given example indicates that to save itself, Silesia cannot rely only on its own strength although the activity and commitment of the authorities and of the public can be of great assistance here.

However, a question arises as to whether Silesia can count on the help of others. Recently, the majority of construction enterprises from outside of Katowice Province have left the various construction sites. These enterprises are subordinate to governors who simply order them to build in their own regions because it turns out that there is a shortage of something everywhere.

9853/6662
CSO: 2600/534

ECONOMIST ADMITS 'HIDDEN UNEMPLOYMENT'

Czestochowa NIEDZIELA in Polish No 14, 5 Apr 87 p 7

[Article by [J.]: "Is There Unemployment in Poland?"]

[Text] Unemployment in the world and in Poland--this is the topic of discussion with Professor Jozef Kaleta, an economist, published in the 15 March issue of ITD. The first part of the interview is devoted to the determining factors of unemployment in capitalist countries. The professor claims, among other things, that: "A certain small margin of unemployment is, surely, justified. It is said in the West that in every society there is a group of people who do not want to work. These are alcoholics, law offenders, retarded persons, drug addicts, those who are lazy and those lacking talent. The payment of unemployment compensation to such people undoubtedly brings smaller losses to the economy than having them render poor and inefficient work."

The scientific-technological revolution is also a cause of unemployment. "It is said that in Japan by the year 2000, there will not be a single traditional worker with a shovel. They will be replaced by robots. However, to create them [robots] it is necessary to hire a number of people in the design-planning bureau. And such is the future of the world. Here, at home it is said that it is good to have a large percentage of production workers in an enterprise. The opposite is true in the world's leading countries. The range of services is also expanding greatly in these countries."

Would the existence of unemployment in Poland be substantiated from the point of view of the economy's interests? According to Professor Kaleta the placement of the issue in this way is improper. "Unemployment does not have to be introduced nor permitted in Poland because although formally we have full employment, in fact we have unemployment but it is hidden. I feel that it is no smaller than in the leading capitalist countries." Hidden unemployment is not only an issue of low work productivity and the overemployment of workers in the administration but also not fully using the qualifications of working people. "Large masses of workers who are working inefficiently, who are unnecessary and who expose the economy to losses are employed in various establishments. These people waste raw materials and in addition, they are paid for this in order to implement the record of full employment. It would be more cost effective if they were to be paid unemployment compensation because at least in this way they would not waste material."

Tolerating this unemployment is not justified in Poland because there is a shortage of people for work in many fields, particularly in the area of services. There also exists the possibility of entering into coproduction with highly industrialized countries. This is being done by China and the USSR. "Gorbachev is calling capitalists to invest in the USSR. In the meantime, we are making appeals. Mikhail Gorbachev said that as long as the place of the manager-economist will be occupied by the party secretary, the economy will stand in place. The dominance of policy over objective economic mechanisms must, sooner or later, lead to collapse."

According to Professor Kaleta, the road to the elimination of hidden unemployment is the decisive reform of the economy. The reform should lead to a change in the structure of the economy. "The calculation is simple. Every 100 zloty earned in the mining industry costs 40 zloty paid out to the workers. The same 100 zloty in the consumer goods industry costs only 10 zloty. With such proportions investments are made in heavy industry only there where the economy is leaning against the ceiling."

9853/6662

CSO: 2600/534

AUTO INDUSTRY PROSPECTS REVIEWED

Katowice GOSC NIEDZIELNY in Polish No 10, 8 Mar 87 p 7

[Text] Will Poland continue to manufacture automobiles? And if so, for whom? Similar questions come to mind after reading Jerzy Metelski's article, "The Zeranow Labirynt" ["Zeranski Labirynt"], published in this year's fifth issue of PRZEGLAD TECHNICZNY, and the correspondence of Jacek Poprzeczka "What Can Be Seen Through Open Doors" ["Co widac przez otwarte drzwi"] appearing in POLITYKA-EKSPORT-IMPORT No 4/87.

J. Metelski writes: "It may be stated that in its 35-year history, the FSO [Automobile Factory] went from license to license doing away with the Syrena [automobile] in the process. The so-called postlicense work was most frequently limited to the elimination of parts and co-produced subassemblies supplied by the licensor, restrictions of the so-called foreign-exchange input, the introduction of very numerous (numbering in the thousands) minor construction changes and the designing of models based on the original."

The FSO director, Edward Pietrzak, "...said a half year ago on TV that preparatory work for the taking on of new license production work at the FSO has already been going on for 4 years and by the same he described the proportions of the time lost. Such a period of time should be completely sufficient for the development from the foundations on up and the creation of the full documentation of a completely new line of vehicles. At the FSO and among the decision-makers who are in charge, time is apparently not a crucial economic parameter."

Thus, what is "a crucial economic parameter"? Undoubtedly, not work productivity since: "the giant that employs 25,000 people and boasts an annual production of 95,000 automobiles does not have much in common with a rational economy, and with open boundaries it would not withstand any competition." For purposes of comparison, the author gives the example of Daihatsu Motor Company, a Japanese firm that with a three times lower employment (8,300 persons) manufactures 716,400 vehicles annually including 158,000 passenger automobiles.

Other important economic parameters that are ignored by the Polish automobile industry are the total amount of production and the sale price. The FSO

manufactures between 35,000 and 45,000 Polonez series cars. According to J. Metelski: "Such a low production level of a mid-class popular automobile constitutes economic barbarism." The cost of Polish mechanized vehicles, inflated in the country under conditions of the producer's dictate, is out of necessity very low in countries where FSO and FSM [Small Passenger Car Factory] products are still bought. Even in China the Fiat 126p is the least expensive automobile.

Indeed, as reported by Jacek Poprzeczko from Beijing, the said lowest price is 16,000 yuan with an average wage in China of 100 yuan and that is why: "In analyzing the market, specialists from the FSM distinguish three categories of buyers: private enterprise, wealthy farmers and prominent individuals in independent professions. Among the owners of the "Maluch" [Fiat 126p] is the coach of the actors appearing in the film "Shaolin Monastery."

It is no great consolation for us that in China it is necessary to work even longer for a "Maluch" and be a master of karate to obtain it.

The question arises as to what next. Jerzy Matelski writes: "If we were to assume the objective laws of the economy as the basis for reasoning in this matter, then we would see that the decision-makers are faced with the decision whether the production of outdated technical products on an uneconomical level of 100,000 annually should continue to rumble along at the FSO?" Perhaps another license should be bought which after 20 years would again prove to be outdated? Or perhaps we should do away with the production of automobiles and start to manufacture something entirely different and profitable? "This last possibility would require a great deal of imagination and managerial daring which is a commodity that is in desperately short supply in the country," concludes the author.

Unless perhaps the Chinese will come to our rescue. "The Chinese market has become the second largest, after the USSR, recipient of products from our automotive industry and at the same time, the largest market of the second payments area.... Currently, the FSO is organizing its technological distribution in the Far East. And perhaps the future road of the Zeranow factory leads through the Great Wall?"

Perhaps, but for the time being we are still standing in front of the wall.

9853/6662
CSO: 2000/534

RESULTS IN INDUSTRIAL SECTOR FOR 1986 REVIEWED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 27 Apr 87 pp 23-25

[Article by Tomislav Dumezic: "Industry: Lowest Profitability--Largest Losses"]

[Text] The results recorded in industry determine overall Yugoslav economic activity. Industry employs slightly more than 48 percent of the total labor force in the economy, and the income of industry and mining has approximately the same share in the economy's total income. Approximately 90 percent of total exports are exports of industrial products, and much the same can be said of the share of industrial products in Yugoslavia's total imports. Industrial organizations employ more than 36 percent of the economy's total fixed capital, and last year losses in industry and mining had a share of slightly more than 80 percent in the Yugoslav economy's total losses.

The increased spending last year tended to invigorate the volume of economic activity, including a growth of industrial output. It was up 4 percent over 1985. It is significant that producer prices of industrial products rose considerably more slowly than retail prices and the prices of industrial products in wholesale trade. The rise of producer prices of industrial products was 71 percent, while the wholesale prices of industrial products were up 85 percent and retail prices 88 percent. The growth of prices differed from type to type of industrial product. Prices of production supplies rose the least (60 percent), while the prices of machines and equipment rose an average of 82 percent, and the prices of consumer goods all of 87 percent. This movement of the prices of industrial products had an impact on the financial results recorded. That is why losses in industry increased the most (95 percent), and their share in income increased from 8 to 8.2 percent. Since prices of various types of industrial products behaved differently, and the prices of consumer goods rose the most, the financial results also differed from one branch to another of industry and also from region to region in view of the differing structure of industrial output.

The financial results of industrial enterprises was also considerably influenced by the structure of business assets by source. Just as a real reduction in the share of "own" sources of working capital in financing inventories is characteristic of the entire economy, so the same is true in industrial organizations. Industrial enterprises, although they do not have less money of their

own to finance inventories in relative terms, do have considerably higher costs of interest on funds borrowed from banks and other economic organizations. By contrast with enterprises in the trade sector, which are able to finance part of the costs of financing merchandise inventories by throwing some of it back to production organizations, industrial organizations do not have that opportunity. That is why the share of expenditures for interest by industry and mining is considerably greater in the economy's total payments of interest than their share in the income earned. Industry's revenues from interest are relatively smaller than the share of industry in the social product, income, and the labor force.

Fixed Capital--Property of the Economy

The changes in the ownership structure of capital in industry follow the pattern in the economy as a whole, they are simply more intensive. It is significant that under the impact of inflation, under the impact of the accounting system, and under the impact of credit on fixed capital whose rates of interest are mainly fixed and symbolic, the share of "own" capital in total fixed capital has been increasing from year to year, just as the share of "own" working capital in financing inventories has been decreasing from year to year.

Table 1. Structure of Sources of Fixed Capital, in percentage

Republics	Own and Pooled Resources		Credits	
	1985	1986	1985	1986
Yugoslavia	64.4	71.4	35.6	28.6
Bosnia-Herzegovina	66.8	71.2	33.2	28.8
Montenegro	44.5	57.8	55.5	42.2
Croatia	64.9	70.7	35.1	29.3
Macedonia	59.1	70.1	40.9	29.9
Slovenia	75.1	77.3	24.9	22.7
Serbia proper	61.5	71.0	38.5	29.0
Kosovo	45.7	58.6	54.3	41.4
Vojvodina	71.8	76.1	28.2	23.9

The share of "own" sources (permanent sources of business assets and long-term pooled resources) in financing fixed capital rose 7 percent between 1985 and 1986. Under normal conditions this kind of change in the ownership structure of capital can occur only because credit has been paid off. This is not what happened in Yugoslavia. The share of "own" sources in financing fixed capital is a consequence of its revaluation, in which credits on fixed capital from domestic sources are not increased, but the entire revaluation amount of the value of fixed capital that has not been written off is entered as a credit to the business fund. Thus, thanks to inflation the economy is becoming an ever larger owner of fixed capital.

There are essential differences from one republic or province to another in the ownership structure of fixed capital in industry and mining. The highest share of outside resources is in the industry of Montenegro, Kosovo, and Macedonia, which is mainly the consequence of the low level of the rate of accumulation of

industrial enterprises and of the more considerable use of credit, especially from the Federal Fund for Credit Financing the Faster Development of the Underdeveloped Republics and Kosovo. The most favorable ownership structure is in the industry of Slovenia, where outside resources have a share of only 22.7 percent, and then in Vojvodina's industry, where the share of credit is 23.9 percent.

The rate of gross investments in industry has been dropping from year to year. That is why the total value of assets under construction is smaller and smaller in real terms. There are essential differences, however, in the level of investment activity in industry from one republic or province to another, as shown by the figures in Table 2.

Table 2. Share of Ongoing Investment Projects in Fixed Capital Employed, in percentage

<u>Republics</u>	<u>1985</u>	<u>1986</u>
Yugoslavia	24.3	21.6
Bosnia-Hercegovina	19.7	17.7
Montenegro	9.9	7.8
Croatia	19.0	16.9
Macedonia	28.3	32.7
Slovenia	16.4	15.9
Serbia proper	36.3	28.7
Kosovo	25.4	20.0
Vojvodina	26.1	27.1

The share of ongoing investment projects in the value of fixed capital employed that has not been written off dropped last year 2.7 percent from 1985. The trend is similar in almost all the republics and provinces except Macedonia and Vojvodina, where the share of ongoing investment projects increase somewhat.

If the volume of investment activity in industry is estimated on the basis of the relative value of ongoing projects, then one can conclude that in relative terms the largest investments in industry are in Macedonia, Serbia proper, and Vojvodina. The smallest investments are in the industry of Montenegro and then in the industry of Slovenia, Croatia, and Kosovo. Investments in the industry of Slovenia have been relatively low even in the past. What is new now is that investments in the industry of the underdeveloped republics and provinces have been essentially reduced. This applies not only to Montenegro and Kosovo, but also to the industry of Bosnia-Hercegovina.

Without Financial Capital

By contrast with the ownership structure of fixed capital, the ownership structure of working capital has been steadily deteriorating. Business organizations in industry last year used the uncommitted portion of the business fund and long-term pooled resources to cover only 12.5 percent of stocks of raw materials and supplies, work in process, and finished products, which is a 2-percent drop from 1985. Why has the structure of sources of permanent working

capital been deteriorating year after year even though working capital is no longer being siphoned over to finance fixed capital because of the low volume of investment? The answer is because of inflation and an accounting system that has not been adapted. There are two more reasons: the increase in the long-term lendings of the economy under the effect of enactments, agreements, and accords, but also pressures of local governments on the managers of enterprises generating the most capital, as well as because of the enormous increase in inventories, which is again a consequence of the inappropriate accounting system and enactments on revaluation of working capital.

Table 3. Coverage of Inventories From Internal Sources,* in percentage

<u>Republics</u>	<u>1985</u>	<u>1986</u>
Yugoslavia	14.5	12.5
Bosnia-Hercegovina	5.5	12.9
Montenegro	27.8	24.3
Croatia	--	--
Macedonia	23.0	4.7
Slovenia	47.6	41.9
Serbia proper	22.1	14.8
Kosovo	3.2	5.1
Vojvodina	19.1	19.7

* Inventories were computed for raw materials and supplies, work in process, and finished products (but not including minor stock materials, containers, tires, and merchandise), which means that the actual percentage of coverage of inventories is still lower than indicated in this table.

It is only industrial organizations in Slovenia which have any tolerable structure of sources of working capital. The most unfavorable situation is in Croatia's industrial organizations, primarily because of the immense long-term lendings, since the organizations of this republic have been forced more than others to invest capital in various economic activities. Total long-term lendings of Yugoslavia's industrial organizations amounted to 2,893 billion dinars at the end of last year, in which industrial organizations from Croatia account for 1,159 billion, or 40 percent. Along with the industry of Croatia, industrial organizations of Macedonia, Kosovo, and to some extent even industrial organizations of Bosnia-Hercegovina and Serbia proper have a markedly unfavorable structure in financing permanent working capital.

This structure of sources of working capital had an essential impact on the volume and structure of costs, especially expenditures for interest on credit for working capital. Total interest paid on credit for working capital in the country's economy amounted to 3,700 billion, of which organizations in the sector of industry and mining accounted for 2,318 billion, or nearly two-thirds. Revenues from interest collected by the economy amounted to 1,813 billion, while revenues of interest collected by industrial organizations amounted to only 792 billion, so that the share of industry in interest collected amounts to less than 44 percent. Yugoslavia's economy last year covered 49 percent of interest paid on credit for working capital with revenues from interest.

Industrial organizations managed with those revenues to cover only 34.2 percent of the expenditures of interest on credit for working capital.

Table 4. Coverage of Expenditures for Interest With Revenues From Interest, in percentage

<u>Republics</u>	<u>1985</u>	<u>1986</u>
Yugoslavia	34.2	34.2
Bosnia-Hercegovina	33.1	31.9
Montenegro	15.6	15.5
Croatia	38.8	38.4
Macedonia	26.5	24.6
Slovenia	39.1	40.6
Serbia proper	31.1	32.3
Kosovo	28.6	29.8
Vojvodina	31.7	30.4

Slovenia's industry has in relative terms been realizing the largest revenues from interest and in this manner has been covering a considerable portion of interest paid on credits for working capital (41 percent). This is in fact understandable since it has the most favorable ownership structure of sources of permanent working capital. Croatia's industrial organizations cover 38.4 percent of interest paid with revenues from interest, which is not a consequence of the favorable ownership structure of working capital, since industrial organizations in Croatia have larger long-term lendings than working capital of their own. In any case, industrial organizations from the underdeveloped republics and Kosovo have been carrying a relatively larger burden of interest on credits for working capital.

Drop in the Rate of Accumulation

Total accumulation and reserves in Yugoslavia's industry last year amounted to 928 billion dinars, as against 681 billion of accumulation and the reserve fund in 1985. The increase is considerably less than the rate of inflation, which means that accumulation decreased in real terms. Yet losses grew considerably: from 263 billion in 1985 to 513 billion in 1986. If resources set aside for accumulation and reserves are reduced by the amount of losses indicated in the year-end statements of industrial enterprises, it turns out that net accumulation last year was even nominally smaller than in 1985: dropping from 418 to 415 billion dinars, which means that in real terms it was cut in half. This also had the result of lowering the rate of profit of industrial enterprises--profitability fell from 5.1 to 2.5 in 1986. The profitability of industrial organizations dropped in all republics and provinces, but the relative differences were mainly the same as in 1985.

Profitability is also markedly low in Yugoslavia's industrial sector as a whole. The most adverse results were in the industry of Montenegro and Kosovo, where the losses indicated in year-end statements were larger than funds set aside for accumulation and the reserve fund. Industrial organizations of Macedonia, Bosnia-Hercegovina, and Serbia proper recorded a lower-than-average profitability.

Table 5. Industry's Rate of Profitability

<u>Republics</u>	<u>1985</u>	<u>1986</u>
Yugoslavia	5.1	2.5
Bosnia-Hercegovina	2.6	1.7
Montenegro	--	--
Croatia	4.8	2.7
Macedonia	2.4	1.0
Slovenia	8.2	5.5
Serbia proper	6.3	2.2
Kosovo	2.3	--
Vojvodina	6.5	2.6

The new accounting system, the system for revaluation of inventories, costs, fixed capital, and the business fund, will contribute to a further increase in the share of the business fund in sources of fixed capital, but also to a further drop in accumulation, larger losses, as well as an immense growth of inventories represented by work in process, supplies, and finished products. This will be confirmed by the semiannual statement for the period January-June 1987. Then it will presumably be clear to the proponents of the legislation that the present system of revaluation is unwise, that it needs to be changed, that it is indispensable to change the ownership structure of working capital and to transform all credits from primary note issue to "own" resources of economic organizations, even though it increases the share of borrowed resources in the ownership structure of equipment and construction projects.

7045

CSO: 2800/220

MEASURES AGAINST ALCOHOLISM ADOPTED

Termed 'Antisocial Phenomenon'

Prague ZDRAVOTNICKE NOVINY in Czech 6 Feb 87 p 2

[Article by Jitka Hnilicova: "Alcoholism--An Antisocial Phenomenon"]

[Text] Alcoholism is seen as a serious contemporary problem not only by medical experts; it has taken a firm root in our country as one of the causes of criminality. Let us take a look at the current situation in this area because the statistics are a warning to us. For example, during the first six months of 1986 the effect of alcohol was reported in 27.4 percent of all crimes and felonies committed in the CSR. However, this figure may be even higher for some criminal acts, such as the crime of driving a motor vehicle while under the influence of alcohol; assault on public servants; disorderly conduct, and bodily harm.

The differences in the effects of alcohol on criminality in individual Czech krajs prompt us to think. The lowest share (again in the first 6 months of 1986) was reported in Prague, which is surprising; however, there is a greater concentration of economic crimes for which the influence of alcohol is not typical. The worst situation was noted in the South Bohemia and Central Bohemia krajs which have the highest share of vehicular crimes and among them, criminal intoxication in particular.

Very tragic is the report that a high rate of alcoholism is evident among juveniles, although youngsters under 18 years of age should not even have any access to alcoholic beverages. Obviously, the individuals who make liquor available to youngsters are not being appropriately penalized. In many cases it is the family that sets a bad example. After all, the fact that juvenile delinquency triggered by alcohol amounts to 15.4 percent is very significant for our entire society.

In this conjunction it is necessary to correct a view from the past which is still held by our public, namely, that if the perpetrator is heavily intoxicated at the time when he commits a criminal act, it is considered as a mitigating circumstance. In reality, however, the pertinent article of law explicitly states that incoherence cannot serve as an excuse if that condition is caused, albeit unwittingly, by the perpetrator's intoxication with an alcoholic beverage or other substances.

The court may order protective anti-alcoholic therapy for persons who habitually and excessively indulge in alcohol and who have committed a criminal act under the influence of alcohol; nevertheless, the order does not have the character of punishment. When deciding on the kind of treatment--in-patient or out-patient--the court considers the psychiatrist's expert opinion, a detailed medical report and the defendant's personal characteristics. If he is seriously dependent on alcohol, he may be remanded for therapy and ordered to undergo a treatment in an institution while serving his term in a correctional and training facility. In other cases where it involves persons who committed crimes while under the influence of alcohol but who are not alcoholics in the true sense of that word, the court may impose protective supervision, including the obligation to refrain from excessive alcohol consumption, or the prohibition to visit some, or any, bars for the purpose of consuming alcoholic beverages. These measures are aimed at a single goal: to restore those individuals to a respectable life. If those restrictions are disregarded, the court may apply other penalties.

Alcoholism as an antisocial phenomenon is often at the root of problems other than criminality. We all know cases in our own vicinity where alcohol was the cause of the break-up of a family, or the end of the professional career of otherwise capable persons. It is therefore entirely correct to enforce measures stipulating that alcohol does not belong in the workplace.

'Expensive Luxury' Viewed

Prague ZDRAVOTNICKE NOVINY in Czech 6 Feb 87 p 5

[Report by (vd): "Alcohol Is an Expensive Luxury"]

[Text] The 113th session of the Czech Anti-Alcoholic League in December reviewed primarily its work over the past year. The workshops of the newly elected provincial and district anti-alcoholic organizations were greatly appreciated. Newly elected officials became acquainted with problems stemming from alcoholic and drug addiction in the CSR and with the draft of a legal amendment addressed to those problems.

During the current election period 45 newly elected members will be working in provincial and district anti-alcoholic centers. Their program will focus primarily on the cooperation with the SSM [Socialist Youth League], youth clubs and cultural commissions of the provincial and district national committees because juveniles 15 to 19 years old are the most endangered groups of our citizens. Our whole society has to pay dearly for alcoholism: 33 percent of our young people have committed criminal acts while under the influence of alcohol; 18 percent of divorces were caused by alcoholism of one of the spouses; 8 percent of traffic accidents were caused by drunk drivers.

The citizens of the CSR spend 20 percent of their total food budget for alcohol. In 1986 the average per capita consumption of alcoholic beverages amounted to 4 litres. It is evident that our anti-alcoholic associations are faced with enormous tasks.

In addition, the participants in the conference of the Czech Anti-Alcoholic League were acquainted with the results of tests of a new alcohol-measuring instrument, the Alkotest breathalyzer. In conclusion, the most successful anti-alcoholic organizations received recognition. Among the provincial centers it was the one in East Bohemia which follows in the traditions of good cooperation with national committees. The best among the district centers were the organizations in Pribram and in Hodonin which drafted a set of measures for the protection of society against dangerous effects of alcoholism and specified the forms of cooperation with all district agencies. Among the first items on its agenda was the emphasis on occupational safety and regular control. The organization in Pribram cooperates with the administrations of apprentice schools, with the managers of enterprises, and with national committees.

9004/12851

CSO: 2400/233

GRIM FACTS ON LOWER EDUCATION, REASONS DISCUSSED

Budapest MAGYAR IFJUSAG in Hungarian 27 Mar 87 p 24

[Interview with Ferenc Strapak, journalist, and delegate from Bacs-Kiskun County, Mrs Janos Bazso, elementary school principal, and delegate from Tolna County, and with Istvan Avar, actor, and delegate from Budapest, by Istvan Gulyas: "Three Opinions on a Report"]

[Interview] In early February the Members of the Cultural Committee of the National Assembly debated the report submitted by the Central People's Control Committee regarding the application of the law on compulsory education. We addressed our questions to three National Assembly delegates who had participated in the debates.

There Must Be Change!

[Question] What is your opinion regarding the Central Committee's report?

[Ferenc Strapak] As if I were hearing the scream of our educational system...! It is shocking to learn that, according to the report, the ratio of those who graduate at an unacceptably low level from the eighth grade is about 25 to 30 percent, depending on the age group. Or that 10 to 15 percent of a given age group does not finish the eighth grade on time. And these data imply a serious warning: the students do not understand the text they read, they struggle to recognize the letters of the alphabet, most of them are not even familiar with the multiplication table. And it is not only with the students at the elementary schools that there are problems. The Committee analyzed the assessment of the 18,500 students in vocational schools and concluded, among other things, that a significant number of them can be regarded as functionally illiterate in relation to what is expected in our times in the subjects of general knowledge. My feeling is that if so many brains do not meet the required level of development, our educational system is mismatched, and requires correction.

[Question] I noticed one particular contradiction, namely that while we are worried about our future generation's level of knowledge the report asserts that culture and knowledge have no value in our society. Consequently one can survive while remaining ignorant!

[Answer] Except that, under the present circumstances, our country requires a great deal of innovating enterprise, something which cannot be obtained with poorly trained specialists! I will concede that it is not necessary for everyone to have maximum intellectual knowledge at his or her disposal but anyone with manual dexterity or some other kind of practical ability needs a minimum of basic knowledge in order to express this dexterity or ability. To me the greatest contradiction seems to be that while there are problems with the teaching of basic subjects, the three R's, teaching must meet new, additional requirements: technical and computer literacy must be built into the curriculum. The existence of this conflict also confirms the fact that the reform of the curriculum of 1978 must be amended, because it emphasizes maximum achievement and does not take into consideration the children's limitation deriving from their age.

[Question] It remains to be seen whether an amended curriculum could help those age groups which have been attending school since 1978.

[Answer] The sooner the change, the better. If we consider that it takes many months to write a new textbook, to have it reviewed, and to get it printed, then the urgency of the task becomes unquestionable. As far as the age groups are concerned we can be confident that nobody will be written off, that the desire to acquire knowledge comes to most youths as they get older. Indeed, I hope that they would not remain at the level indicated and discussed in the committee's report. Moreover, the need for rapid modifications has already been formulated in one of the memoranda of the Committee on Culture.

[Question] To whom is this memorandum addressed?

[Answer] We formulated recommendations to the government on the basis of the debate. We recommended that education should receive more financial help than projected in the 7th 5-Year Plan. With the help of active and competent teachers, and with the help of the children, we must solve the dilemma regarding the level at which writing, reading, and counting skills can be said to have been assimilated. Furthermore, the problem of introducing computer science and technology into the curriculum. And finally, we recommended to the government that it should designate those responsible for carrying out the remedies, for the sake of prevention. Regarding responsibility, however, I could not agree with the Control Committee's report, for, in addition to an analysis of the causes, I would also like to know who are the individuals responsible. The report states that, since the introduction of the new curriculum had caused confusion--and this is an understatement--everything turned upside down. It turned out that we had expected too much. But who are the individuals behind the royal "we"? The report was signed by Bela Kopecki, minister of culture, and by Laszlo Ballai, the chairman of the committee; but this is not where the responsibility lies, others must share it. I did not fail to express my concern at the meeting of the Committee on Culture. It is not for the sake of prying into the past that we are curious about this matter, but rather to prevent a reoccurrence, because, when it comes to taking corrective measures, the question is, who will carry them out? Would it be the same persons who mismanaged the present educational system?

Social Handicaps

[Question] As a practicing educator you must have experienced what is described in the Committee's report in everyday life.

[Mrs Janos Bazso] Indeed, and at the meeting of the Committee on Culture I even expressed gratitude to those who prepared the report for having put together such an honest and especially objective document. If we have the courage to discuss our worries and problems openly then we can give back the faith and self-confidence to many disenchanting teachers. Evidence of the honesty of the document is that the problems arising out of the application of the law on compulsory education are traced not merely to the schools. It points out that the schools alone cannot assume the responsibility of eliminating the disadvantages that stem from social background. This does not mean, however, that we teachers are not responsible, and that the schools do not have shortcomings.

[Question] What, in your opinion, is the most serious shortcoming?

[Answer] It is a fact that the work conditions of the educator have improved in recent years, but they are still far behind what is needed; and while there are still problems meeting the old demands, new demands have already arisen, and it is doubtful whether they can be met. Here, for instance, I am referring to instruction in the use of computers, since there are problems with the availability of the instruments and the training of specialists.

[Question] What is the problem with the old requirements?

[Answer] The 1978 reform of the curriculum was built on a number of new pedagogical principles, but it did not consider the physical and intellectual capacities of the children. The style of the textbooks is awkward; they do not adjust to the peculiarities of particular age groups. Moreover, it is pertinent to mention, that one serious concern of the school system is the high number of teachers without qualifications. In my opinion, the curriculum is overambitious, and the average student can acquire the necessary knowledge only at the cost of great difficulties. But the most serious problem is with the students who are below average. They experience failure rather frequently. Many failures take away their incentive to learn, and thus they unavoidably get into a disadvantageous position.

[Question] Is it not the task of the educator to resolve this problem?

[Answer] In principle this sounds fine, that the teacher should be able to deal with one class, in the space of one lesson, with complete dedication. Devote equal attention to the bright ones, the average ones, and the slow ones. Only, in practice, it is not possible to divide 45 minutes in this manner, in three portions. It must be admitted that the fine principle becomes a torture in practice. The teacher may not stop, must proceed with the syllabus, and there is not much time left for the slower students, for

those who need a remedial approach. The teacher must move on because the syllabus is the law, and it must be followed.

[Question] Who constitute the majority, the good ones who pull the class forward or the poor ones who slow it down?

[Answer] I cannot give you specific statistical data. I can only refer to my 25 years of experience as a teacher. It seems to me that about 20 percent of a given class is outstanding, 50 percent average, and 30 percent are below average. It seems to me the present curriculum is designed for the upper stratum. Thus, in very many cases, all we can do is register the completion of eight grades. The expected knowledge is lacking behind the certificate they receive.

[Question] If, under the present circumstances, it is possible to deal with each student according to his or her abilities, only at the cost of the greatest effort then wouldn't the right solution be to create schools for the elite?

[Answer] There was a time when it was a crime to speak of education for the elite. But nowadays we are undergoing epochal changes even in regard to discovering and nurturing talent. I do not argue that we must establish schools for the elite. But if this be the only solution to take care of the slower ones then let it be! One thing is for certain: it is not possible to continue with the existing system. The basic objective is to give every student, every child the opportunity to develop in accordance with his or her ability and aptitudes. And we must not forget this objective. Moreover, it is plain from all this that the protagonist is not the teacher, but the child. The teacher is performing a service.

Catastrophic Situation?

[Question] Did this report surprise you?

[Istvan Avor] I had no illusions, nevertheless it did surprise me a little, I thought the situation was somewhat better. And if one reflects on how the report is phrased, that it refers to the average student, then it is certain that sometimes the situation is even sadder than reported. Even in connection with the document, all I can say is that what is going on in the area of education is almost catastrophic. We keep shaping, reshaping our educational system for decades and, in spite of all this, here is where we have gotten to. We do not have a firm foundation on which to build. I mentioned already at the session of the Committee on Culture that we must stop with the fire-fighting and take serious remedial action. Those who read this report will not be the least surprised that in Hungary they have collected funds for the liberation of Issaur! It is a perfectly logical outcome! In the Committee on Culture we have dealt with the issues in the report of the Control Committee on several occasions. We have often expressed our worries and issued warnings, yet we have succeeded in changing nothing, these negative phenomena did occur. I seriously wonder, if our task in the Committee is to express our

Ratio of Those Who Have Completed Eighth Grade, According to Age Group, Sex, and Place of Residence

	Persons 15 and Above ('000)	Those Who Have		Of Those Who Have Not Completed		
		Completed 8th Grade in Percentages	Not Completed	6th, 7th Grade Percent of Total Population	4th or 5th	Less
1970	8,146	51.4	48.6	32.3	10.3	6.0
1980	8,368	66.1	33.9	23.1	7.0	3.8
1984	8,362	72.3	27.7	19.2	5.4	3.1
Of those in 1984						
Men	3,966	77.2	22.8	15.6	4.8	2.4
Women	4,396	67.9	32.1	22.4	6.1	3.6
15-19	708	95.4	4.6	3.2	0.9	0.5
20-24	599	96.2	3.8	1.8	1.0	0.9
25-29	764	96.8	3.2	1.4	0.9	0.9
30-39	1,587	96.1	3.9	1.8	1.1	1.0
40-49	1,377	85.3	14.7	9.1	3.5	2.1
50 and above	3,327	41.9	58.1	42.2	11.1	4.8
Budapest	1,684	83.3	16.7	-	-	-
Other cities	3,012	79.1	20.9	-	-	-
Communities	3,666	61.7	38.3	-	-	-
Total of those employed	4,919	89.5	10.5	7.5		3.0

worries and issue warnings, then why don't those who should be paying attention listen to our words? My question is, if this is the situation as regards to our educational achievements, then is there someone to adjust our cultural events and programming to these conditions?

[Question] What tasks do you consider most urgent as a result of the report of the Committee?

[Answer] At the February meeting I proposed that the Committee on Culture should place the issue of the Gypsies on its agenda, for we always seem to skirt the issue and do not discuss it, because we think the problem is embarrassing. But it is a serious concern which we have to confront eventually, because more and more conflicts derive from it. To mention but one, the Committee report deals with the learning "achievements" of Gypsy children in separate tables! Moreover, it seems very important to me that the government should ensure that financial institutions not be allowed to limit expenditures earmarked for educational and cultural objectives!

[Question] Please don't get upset, but it seems to me your outburst would be interpreted by most people as the exaggerations of an actor. "And what is he so worked up about, he is in an enviable situation, he moves in the circles of the intellectual elite, into which reality filters only indirectly."

[Answer] That would be a mistake! I teach at the Drama and Film School; the situation is catastrophic even judging from my personal experience. Young people who have graduated from high school are confused about the most elementary things! We lack familiarity with historical and literary matters to an astonishing degree. They know nothing about the Hungarian language, about contemporary Hungarian literature. If this is not a segment of reality, then I don't know what is!...

13348

CSO: 2500/325

SECOND GYPSY 'PEOPLE'S COLLEGE' OPENED

Budapest NEPSZAVA in Hungarian 1 Apr 87 p 9

[Article: "Gypsy People's Institute Opened in Komlo"]

[Text] The second Gypsy college in the country has opened on Tuesday at Komlo in the Zrinyi Cultural Center. From now on, every second week on Tuesdays the Gypsies and their advocates will meet to create the opportunity for the Gypsies of the Komlo area and the vicinity of Pecs in general to participate in public life and cultural activities.

Since there is a significant Gypsy population in this mining center, its fate cannot be indifferent to Baranya County, where altogether 25,000 Gypsies have settled. The majority of them are employed, attend school and strive to adjust to the environment. The principle of nurturing the language of the Gypsies is characteristic of the pro-Gypsy policy of the county; it even extends its attention to Gypsy dialects. It is not only the Gypsies who benefit as a result but the environment in which the Gypsies live as well.

The people's college of the Gypsies at Komlo will endeavor to reveal the values of Gypsy culture, to foment and enhance these. It was Menyhart Lakatos, a writer and president of the Gypsy Cultural Association, who gave a speech at the opening ceremony on 31 March.

13348

CSO: 2500/325

DOCTOR CALLS CHILDBEARING 'DUTY,' PROVIDES STATISTICS

Bucharest FLACARA in Romanian No 23, 5 Jun 87 pp 1-2

[Article by Dr Vladimir Trebici: "Demographic Reflections"]

[Excerpts] Let us not forget that every single child of those approximately 360,000 that are born every year in Romania, was brought into being by its parents to consolidate the family, to strengthen its foundation, and to continue its noble purpose for the sake of the everlasting glory of the Romanian people. Since this is how things stand, giving birth to a child is a duty whose fulfillment implies a deep responsibility toward the family, but also toward the community. This duty is incumbent upon every family, regardless of the social category to which it belongs, and regardless of any economic, social or regional characteristics; because we think that demographic differentiations are without ethical foundation, as when some families have children, sometimes even a lot of them, while others have none or are limiting themselves to one child. Also without ethical foundation is the fact that the fertility of women in villages is very much greater than the fertility of women in cities; that in certain historical counties and provinces--I am referring specifically to Moldavia--fertility is very much greater than in others; and that families that are better off economically have fewer children on the average than families of workers and peasants. It can be stated without reservation that the demographic effort demanded of the population also must be subordinated to the principle of fairness.

Assuming mortality rates are nonexistent, a family needs two children--one of whom must be female--in order to perpetuate itself. In order for it to guarantee the successive replacement of each generation within the scope of one population, it is necessary, in the case of Romania, that 100 women of childbearing age give birth to 212-214 children. This outcome is assured as long as 360,000 children are born annually. But for a more plentiful replacement of each generation, for a deeper demographic breath, the number of children must be greater.

In accordance with the spirit of Romanian tradition and thanks to principles and norms which are still being respected despite profound and rapid changes taking place, children--in their overwhelming majority--are born in families. That is why the creation of the family through marriage has the greatest

importance. Romanian as well as foreign scientists studying nuptiality are surprised by the fact that the Romanian nuptial model has remained unchanged for a century, if not more. In Romania, the tendency toward marriage is universal. Men and women marry at a relatively young age. Half the women marry by the time they are 21, and men by the time they are 24.5, the difference in ages remaining constant. Once they have reached marriage age, young men and women "hurry" to get married; it has been determined that only 3 to 5 percent of the population is still unmarried by the age of 50. These details of the Romanian nuptial model are brought into focus even better when they are compared with the Western European model, which has seen during the last 2 or 3 decades a more pronounced decline in marriage rates, the adoption of a new matrimonial model, an increase in the divorce rate and a vertiginous increase in the number of families with one parent.

Given the stability of the Romanian familial and nuptial model, it is easy to reach the conclusion that behind it is a cultural model that is still powerful, whose peasant origins are evident and whose characteristics are the propensity toward marriage, the attachment to children and therefore to the family as such, the rejection of divorce, and the respect for ethical values practiced throughout history.

The study of this model lies within the purview of a number of sciences such as sociology, ethnology, cultural anthropology, psychology and social history. But consolidating this model and preventing its erosion must be the goal of a neverending educational effort, and of everyone of us.

/6662

CSO: 2700/233

END

END OF

FICHE

DATE FILMED

6 Aug., 1987